

# ARMY HOST



**Club and Community Activities  
Management Directorate. TAGCEN**

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**May/June 1979**

## Hale Koa review completed

*DA to implement all 104 recommendations—assume operational control.*

**WASHINGTON**—The Department of the Army is taking action to implement all recommendations made by the management consultant firm of Peat, Marwick, Mitchell & Co., which conducted a financial, management, and operational review of the Hale Koa Hotel, Armed Forces Recreation Center, Fort DeRussy, Hawaii.

The review was undertaken by the Army based on a House Armed Services Committee recommendation to “employ a management consultant to review the operation of the Hale Koa Hotel and to recommend improvements.”

A 300-page report resulted from 18 December 1978 hearings on the hotel which addressed the method of funding and managing the 416-room Armed Forces Recreation Center Hotel located on Hawaii's Waikiki Beach.

The consultant's report recommends a sliding-scale room rate based on rank and status for four categories of rooms also based on location and view. The average room rate would increase from \$28.00 (FY 79) to \$34.65 (FY 80). Currently, double occupancy room rates range from \$20.00 to \$36.00 for all categories of personnel. The recommended room rates are: for junior enlisted - \$19.00 to \$30.00; senior enlisted and junior officers - \$24.00 to \$36.00; and field grade and above as well as retirees and other eligible personnel - \$32.00 to \$47.00.

See **Hale Koa**, pg. 27

## TAGCEN Reorganizes: Club and Community Activities Management Directorate Formed

*Combines missions of three TAGCEN Directorates.*

**WASHINGTON**—As part of a realignment of functions of The Adjutant General Center, the Club and Community Activities Management Directorate has been formed.

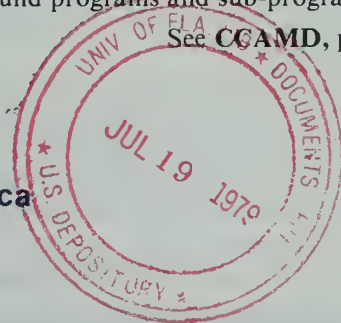
Going by the acronym CCAMD, the new Directorate is responsible for determining and insuring compliance with policy, standards, and objectives for the operations of Army nonappropriated funds and activities.

Functions of three TAGCEN directorates were consolidated to form the new Directorate which is now the program manager for both the Morale Support Fund and Army Club Fund programs and sub-programs.

See **CCAMD**, pg. 21

### Inside

Fort Knox  
Fort Huachuca  
Fort Bragg  
Fort Bliss  
Fort Riley  
CCAMD workshops  
White Sands missile range  
Aschaffenburg  
Alexander on Army quality  
Budgeting  
Fort Stewart  
Loan program  
GAO report reaction  
1st half results  
Central payroll  
Korea entertainment  
Career info  
AAFES record program  
Fort Shafter  
Fun and excitement  
Board of advisors  
Dining hall beef cut  
and more . . .



# Army reacts to club and package store GAO report

**WASHINGTON**—Decentralized management, over-reliance on package beverage store profits and appropriated funds, and low patronage were cited as reasons for “considerable financial difficulties” experienced by the military club system, according to a General Accounting Office report.

The report was dated January 15, 1979 but not publicly released until May. The Army established its position following the first meeting of the Board of Advisors for the Army club system held in Washington on 14 and 15 May.

## Centralized management

One major GAO recommendation was to improve management of the club system by transferring operational responsibility “from installation commanders to a strong central management authority” and that a “structure consisting of representatives from each service” would “provide that their needs receive appropriate attention.”

The GAO cited several instances where commanders’ actions have had an “adverse effect” on club operations and that many commanders have an “inflexible and unbusiness-like approach to club operations,” often rejecting suggestions from auditors and management review groups.

The GAO maintains that the service headquarters have the “experience and expertise” to operate clubs in an “efficient, effective and economical manner.” “The GAO further cited benefits which have accrued from centralized procurement of distilled liquors by the services in California and cited other examples of efficiencies realized from centralization of certain other non-club related DOD functions.

While the GAO did not obtain “formal” comments from DOD on the report, it did observe that Defense Department officials did not believe that DOD should be involved in the operational aspects of the club system, that DOD believes that presidential guidelines limit DOD’s mission to one of “policy direction” and not “operational involvement,” and that operational control for clubs should be decentralized to installation commanders.

On the issue of centralization, Army officials agree that the role of OSD is one of “policy direction” and not “operational involvement.” They said that the Army should control its own clubs and that operational responsibility for individual clubs should continue to be decentralized to installation commanders.

Army officials said clubs are one of the “most essential” installation MWR activities and that removal from the commander’s control would damage the installation commander’s ability to satisfy local military community needs given the “peculiarities” of the installation such as mission requirements and demographics.

Additionally, the management of Army clubs already is more centralized than in the other services. Officials said that many of the club functions which have been centralized at Department of the Army include executive and financial management, technical training and on-site management assistance, review and analysis of budgets and financial statements, investments, audits, loans, insurance, facility design, turnkey construction, career monitorship and civilian club manager placement.

The officials said that it is necessary to allow commanders operational control so that they may “fully support” clubs and better satisfy local needs.

“Management by exception” is practiced by DA for club operations to cover exceptions such as those cited in the GAO report, the officials said. When these exceptional situations are noted, they added, action is directed through the chain of command to get clubs in line. This system helps prevent “arbitrary changes” in pricing and operating hours or other local policies “that do not permit individual clubs to achieve DA financial and operating goals,” Army officials said. The officials noted that the two instances of negative financial results which the GAO reported were allegedly caused by command interference have been corrected since the GAO report cited 1977 data.

The Army has continually improved the financial position of its clubs since the period of the GAO report through this “franchise-like” system. Clubs are showing improved operating results as well as consistently increasing sales, revenues and net income. The number of profitable clubs also has increased while reliance on package store profits has been reduced.

## Package beverage distribution

The GAO report said that without \$35 million in package store profits, the services’ club systems would have lost \$16 million with 57 percent of clubs losing money. It recommended that package store profits be used to support essential morale, welfare and recreation activities and that profits distributed to clubs be limited to those “essential, financially troubled” facilities to “break even or finance capital improvements after all reasonable attempts to achieve self-sufficiency have failed.” The GAO added that these profits also

See GAO, pg. 13



## Paul J. Fraser

Paul J. Fraser, 60, a nonappropriated fund financial analyst with Department of the Army and a retired Army Colonel died May 1 of heart failure.

Mr. Fraser was born in Wickliffe, Ky. He grew up in Cairo, Ill. and later graduated from the University of Maryland. He served in the Army for 26 years and retired in Washington in 1970.

Mr. Fraser served in various positions with nonappropriated funds while in the Army and after his retirement in 1970. At the time of his death, he was Chief of the Funds Management Branch for the Club Manage-

ment Directorate. Mr. Fraser was widely known throughout the Army and was regarded as one of the most prominent experts in nonappropriated fund management. He will be sorely missed both professionally and personally.

Survivors include: his wife, Eunice H. Fraser; four children, Paul of Hartford, Conn., Janet of Montgomery, Ala., Patricia of Alexandria, Va., and Jenifer of Laurel, Md.; four brothers, Marshall of Paduach, Ky., and David, Joseph and Larry of Wickliffe; and four sisters, Floella Watson of Decatur, Ill., Thera Curtis of Parsons, Kan., Anne Roberts of Terre Haute, Ind., and Sue Hannah of Wickliffe. **AH**

## Remember 5¢ deposit on cans?

**WASHINGTON**—Last year, Forts Riley, Huachuca, and Knox participated in a Beverage Container Deposit Program which was initiated by the Environmental Protection Agency in cooperation with the Department of Defense.

The test required that all beverages purchased in the commissary, PX, and package stores carry a 5¢ deposit including beverages in no-deposit, no-return containers.

A report, submitted to Secretary of Defense Harold Brown on the results of the test, indicate that all the test locations experienced a loss in beverage sales ranging from 13 to 55 percent.

The loss in sales resulted in corresponding drop in net earnings, according to the report. Apparently, many persons found it inconvenient to return beverage containers and instead went elsewhere to buy no-deposit containers.

However, the report did show that those who participated in the test returned most of the deposit containers they purchased; over 83 percent of them were returned.

The report recommended only a very carefully developed and selective implementation of the Beverage Container Program. A final decision is expected soon.

*Adapted from "Remember 5¢ deposit of cans?" from the Fort Huachuca Scout. **AH***

## Advanced Club Management Course Graduates



Pictured above are graduates of the eighth 1979 Advanced Club Management Course. The course is part of the NCO Education System which provides advanced training for E-6s in the OJ career field, preparing them for sergeant first-class positions. Row 1 (L to R): SSG Dale E. Leatherwood, TDY and return to US Army Natick Research and Development Command; SSG Earl W. Swift, Jr., TDY and return to Kaiserslautern, W. Germany; CPT Robert J. Shooner (Course Director); SSG Richard H. Sussman (Class Leader) attended en route to Hanau, W. Germany; SSG Daniel R. Melton, attended en route to Camp Humphrey, S. Korea; SSG Nicholas H. Neumeier, TDY and return to Baumholder, W. Germany; Row 2: SSG Gary L. Goyette, attended en route to Hanau, W. Germany; SSG Curtis J. Hall, TDY and return to Fort Knox; SSG David C. Rivenbush, TDY and return to Fort Lewis; SSG John W. Bryant, en route to Frankfurt, W. Germany; SSG George A. Parker, attended en route to Alabama; SSG Wallace W. Mass, TDY and return to Wuerzburg, W. Germany; SSG William J. Keys, attended en route to 7th Army Training Center, W. Germany.

## Chef recalls faster fast food days

**WHITE SANDS MISSILE RANGE, NM.**—Fast food is nothing new to Willie Allen, 62, and still going strong at the Roadrunner Club here.

"I worked in "fast houses" in bus stations. People would be coming off buses to catch another one. We would have 15 minutes to feed all those people. Fast food isn't new," he said.

That was one of the first jobs in his 30-year career as a chef. Allen worked in several other jobs before coming to work for the White Sands Missile Range Club system. These included 10 years as a cook at Tulane University. He also worked at the Interstate Company as a "traveling chef" and as a cook at the University of San Diego until he took his Army club job in 1971.

"Those 11 herbs and spices in a famous chicken recipe are just an ordinary thinned out batter recipe with a few things thrown in," he revealed.

More than 30 years at a job gives a person insights, and Willie Allen is no different. He observed, "Today's diner is very different than the type of person eating out in restaurants 30 years ago. We would give a customer his soup, then his salad, and afterward would serve him the first, second and main course. He was never in a hurry. Nowadays, we just serve him everything at once. Even the dessert," he said.

Allen plans to stay around the club system. "As long as I'm healthy, I'll just keep working," he said.

*Adapted from "NCO Club chef talks about old days" by SP5 Pete Jax, a staff writer for the White Sands Missile Range Missile Ranger.*



**Chef Willie Allen appears to stand guard over one of his secret recipes.**

## Civilian Referral Program registrants must update applications

**WASHINGTON**—Registrants in the Army Club System Centralized Civilian Referral Program are not updating their applications; and that's causing problems, according to program managers.

Civilian personnel offices worldwide are constantly requesting referral lists for vacant club management positions, officials said. Out-of-date and incomplete applications represent neither an accurate record of qualifications nor an interested applicant and consequently are not favorably considered. To ensure full consideration for upcoming civilian managerial position vacancies registrants should update and keep cur-

rent their applications. This is the responsibility of individual registrants.

Approximately 525 GS and UA applications are currently on file, they added. The referral program was established in June 1976 and processes referral lists for GS and UA grade 9 and above club management positions. In CY 78, for example, referral actions for approximately 70 positions were handled under the program.

Authorized by HQDA Ltr 230-79-4, dated 16 April 1979 the referral program is intended to be the single source of referrals for club management civilian position vacancies.

Questions about or applications for the program should be directed to Ray Varrone, HQDA (PECC-FSS-NAF), Washington, DC 20314; telephone (202) 693-1768 or AUTOVON 223-1768. **AH**

## Standard prices required

**WASHINGTON**—Managers are bound by AR 230-60 to provide the same services and products to each member for the same price regardless of rank or position.

This doesn't mean that managers can't use promo-

tional pricing for such special events such as wedding receptions and promotion parties, providing the same incentives are offered to all members.

Inadequate records of total products used and services provided is not sufficient justification for price adjustments for special functions. **AH**



## Club net at \$7.6 million in first-half

**WASHINGTON**—The Army club system reported a 45 percent increase in net income for the first-half, fiscal 1979.

First half net income for the 328 Army club and package store branches amounted to a record \$7.6 million or 5.1 percent of total revenue. These results marked the first time that clubs would have made money even without the benefit of package beverage net income distribution.

This net income did not include \$532,500 of package beverage store net income which was distributed to morale support funds for the support of morale, welfare, and recreation activities other than clubs.

For the six-month period ended 1 March 1979, revenues increased 10 percent to \$149 million and sales for the half increased 10 percent to \$127 million compared with sales of \$115.3 million for the comparable period a year earlier.

US Army Forces Command clubs and package stores had the highest revenue for the half at \$40 million, down nearly \$2.9 million from the same fiscal 1978 period. This was due to the establishment of Western Command which now reports \$9 million plus in annual revenues from clubs in Hawaii which used to be a part of FORSCOM. FORSCOM net income reached 5.8 percent of total revenue.

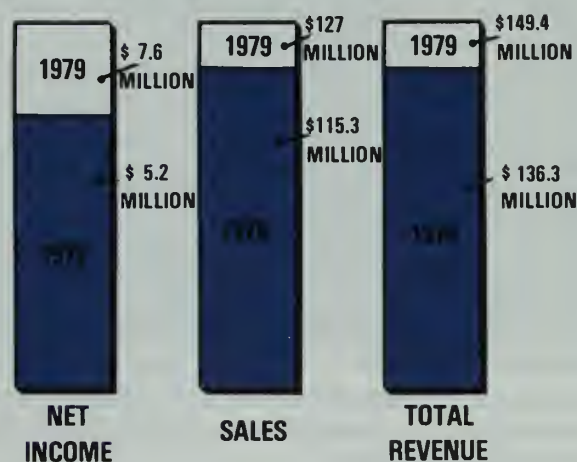
US Army Europe clubs do not receive direct package store net income distribution but they reported the highest total revenue, sales, and higher net income increases than any other Army major command with revenue up 12 percent to \$36.2 million and sales also up 11 percent to \$28.65 million. Net income for USAREUR clubs rose over \$1 million above the same period last year to \$2.4 million or 6.7 percent of total revenue.

Another leader was Eighth US Army which reported 100 percent of its branches profitable with net income up over 40 percent to \$1.28 million or 7.2 percent of total revenue. Sales in this command for the first half fiscal 1979 rose nearly \$4 million over the previous year, a 29 percent increase to \$16.85 million.

US Army Training and Doctrine Command clubs and package stores showed advances in sales and revenues (\$1.7 and \$1.8 million respectively) but net income dropped from \$942,000 to \$830,000.

US Army Communications Command clubs and package stores ended the first half on the upswing with \$66,000 for 1979 first half net income compared to \$4,000 the year before. Sales in this command in-

## COMPARISON OF 1st HALF 1978 TO 1st HALF 1979



creased by \$122,000 and revenues by \$131,000.

US Army Materiel Development and Readiness Command clubs and package stores posted increased sales and revenues (\$717,000 and \$766,000 respectively) while boosting net income by \$81,000 to \$481,000 or 5.2 percent of total revenue.

Complete details on Army club operating results are contained in the Major Command Progress Summaries of Club Operations, Second Quarter, FY 79, which have been distributed to Army installation and area club managers by the Club and Community Activities Management Directorate, TAGCEN. Also included in these summaries is an Installation Club System Management Guide, which provides ICM's with checklist of tasks which should be accomplished periodically. **AH**

## The wild wild west

**DEFENSE DEPOT OGDEN, UT**—"Stack-em-high", sandwiches have hit this depot in Utah in a big way and for \$2.35, officers' club members can now feast on a Wild Western Deli that includes sandwiches like the "Critter" (½ pound of char broiled lean ground round), the "Rustler" (stacked pastrami, western style), the "Wrangler" (roast beef), and the "Chuckwagon" (grilled sirloin, mushrooms, green pepper, and onions).

All sandwiches are served with salad and choice of breads. The new program was developed by the Defense Depot Ogden club staff with the assistance of **Bob Moneta**, CCAMD food and beverage specialist. Sales jumped nearly 80 percent in the first day of operations. **AH**

# Korea has central entertainment booking

## *Provides bands for all Army clubs in Korea*

**YONGSAN, KOREA**—Like cheeseburgers, pizza, blue jeans, soft drinks and all those things they bring to Korea to remind them of home, GIs crave their music.

Every night, GIs can be found at clubs, dance halls and recreation centers throughout Korea relaxing, eating, drinking and listening—listening to music that is hired through the Army's Commercial Entertainment Office at Yongsan. It's that office's job to find the bands, musical groups and floor shows that appear night after night at Army installations throughout Korea.

"Right now there are 43 Korean bands, seven Filipino bands and five Korean floor shows performing at military clubs throughout Korea," commented Paul Engelstad, director of the Commercial Entertainment Office.

"Also there are seven groups for cocktail lounges and 26 off-duty U.S. military entertainers that play at clubs. Twenty-two of the GI entertainers are disc jockeys or DJs at various clubs."

Bands and acts for military clubs are booked through six Korean talent agencies, according to Engelstad.

These six entertainment agencies in Korea provide groups throughout Korea and Japan. These agencies report that they can make more money providing entertainment to civilian night clubs and hotels than they can through a Korea Procurement Agency contract. Despite the relatively low prices, agency presidents said they continue to do business because they enjoy the "respect and good business practices" of both the Korea Procurement Agency and the Commercial Entertainment Office.

There are a couple of problems with the bands the clubs have to pick from. One is the difficulty Korean bands have learning and keeping current with new music in the United States.

"Korea has never signed the international copyright law and because of this they can't legally buy current records, sheet music and music books with words in them. Their only outlet to current American music is over the airwaves which quite often is American Forces Korea Network radio," added Engelstad.

The Korean talent agencies bring their prospective bands and shows to audition at the Cross Roads Club on Yongsan Main Post each month. For two days area club managers from all over Korea or their rep-

resentatives join Engelstad to listen to and rate the entertainers. Each group is given a Class A, B or C rating.

"Right now there are no 'A' rated groups," said Engelstad.

Class B bands receive \$1,927 for 26 three-hour performances and C bands earn \$1,522 for 26 three-hour performances. The Filipino bands are rated as special bands and receive \$2,800 for the same time.

"The Filipino bands get more because they have to furnish their own housing while here and also they have a more current repertoire and a feel for rock music that the Korean bands lack," commented Engelstad.

One-night stand bands get \$120 per performance. Disc jockeys get \$50 per three-hour set, which, according to Engelstad, "is union wage right now for a DJ in Chicago."

Go-go girls are also hired through the entertainment office. The dancers get \$404 for 26 three-hour performances.

Engelstad said the Army is the only organization in Korea that auditions and screens bands. For this reason bands booked at U.S. military clubs are usually superior to those on the economy.

Five years ago music heard at military clubs here, according to Engelstad, was mostly instrumental.

"Only a minority of the bands five years ago had vocalists."

"Believe it or not the music has gotten better as the bands have become more knowledgeable of what the GI wants to hear."

*Adapted from an Area II Support Activity Sentinel "Cheeseburgers, pizza, jeans, . . . music" by Dean Fletcher.*

## Managerial visibility

**WASHINGTON**—Club Management, published for private city and country club managers, asked manager-readers if they thought it was necessary for them to attend parties held at the club. Here are the results:

- All club-sponsored parties from beginning to end ..... 26.3%
- Only certain important club parties from beginning to end ..... 10.5%
- All club-sponsored parties, but only until I'm sure things are going well ..... 52.6%
- Only certain important club parties until I'm sure things are going well ..... 5.3%
- Only parties where there might be problems, and only until I'm sure there will be no problems ..... 5.3%

AH

Army Host



## DiscOrd

**FT ORD, CA**—Discord: according to Webster: "lack of harmony between persons . . .", followed in the dictionary by discotheque.

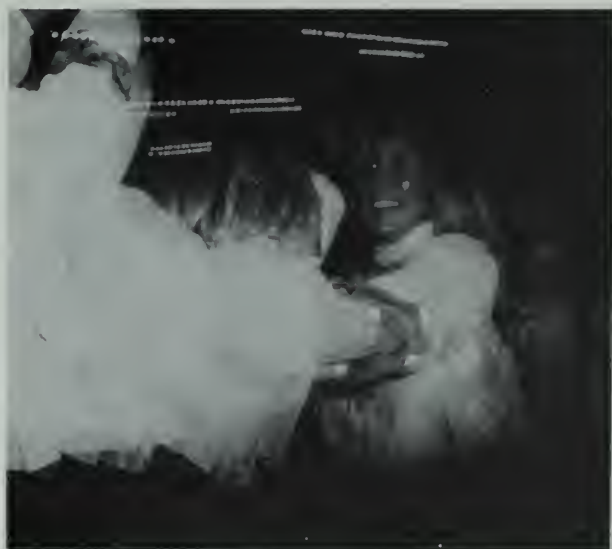
But discord has the opposite meaning here. It means disco at Ord's installation club system and it's bringing a lot of people together.

A disco dance hall has already been set up in the officers' club at this West Coast installation, home of the Army's 7th Infantry Division's 17,800 troops and a \$4 million plus club system.

The driving force behind the disco renovations in the Ord clubs is **LTC Hal Bray**, installation club manager. Faced with dwindling net income and a large market, Bray set the disco concept in motion and it was instantly popular.

In the nearby Monterey area, "everybody wants to grab a piece of the entertainment dollar," said Bray. "The customers want a relaxed environment with reasonably priced drinks and an opportunity to meet members of the opposite sex. It is the club's aim to do this, and that's why we went to the popular disco theme," Bray added, alluding to the younger member's nonacceptance of more traditional forms of entertainment such as live bands.

The Officers' Club equipped the disco with the special effects needed for the best in disco entertainment. Thirty-two feet of eight foot high portable mirror walls give an impression the dance floor is double the normal size. Spot lights in various colors



**Disco fever has hit the Fort Ord Officers' Club and bigger and better discotheques are on tap for the NCO and enlisted clubs there.**

aimed in all directions, including the roof, add to the illusion.

What makes a "Disco Show" good? Well according to MSG Joe Pettis, Jr., an avid Ord disco fan and known as "Disco Joe" on the dance floor. "It's having a top quality sound system or a good live band. The disc jockey needs to be tuned in to the crowd so he can make the place come alive. A large dance floor is a must and a pulsating light show enhances the overall atmosphere to the point where everyone wants to get up and get down and boogie.

**AH**

## Dining halls to get 20% soyburgers

*Other items cut in DoD belt-tightening.*

**WASHINGTON**—Soy protein will soon be used in military dining facilities to stretch ground beef, DOD officials announced.

Officials say using a 20 percent soy-extended ground beef product will save about \$ .22 per pound and help offset spiraling beef prices.

DOD buys about 28 million pounds of ground beef yearly, officials said, and using the soy product could cut the DOD food bill by \$6.2 million.

The first deliveries to dining facilities are scheduled for mid-June, officials said.

A DOD food planning board approved the use of the soy products in recipes calling for ground beef and in ground beef patties after reviewing the results of using the product in selected dining facilities on a test basis, officials explained. The product was favorably accepted, officials said.

Officials also pointed that the soy protein does not

cut down the nutritional value of the food.

The use of the soy product will be evaluated throughout the year and a final decision will be made as to whether or not it will be continued to be used, officials added.

There are currently no plans to introduce the soyburgers into Army officer, noncommissioned officer and enlisted clubs or Army and Air Force exchange facilities.

Overall beef purchases for military messes during the remainder of this fiscal year and during fiscal 1980 will be cut by 25 percent, based on the 93.3 million pounds bought in fiscal 1978. DOD also moved against such short-supply food items as raisins and red salmon by cutting procurement entirely this year and 50 percent in fiscal 1980.

The Department of Defense is following the White House call for federal agencies to cut the buying of beef and other expensive grocery items to combat inflation. **AH**

# Europe seminar tackles support services

*Managers air their views—and frustrations.*

**BERCHTESGADEN, W. GERMANY**—Over 150 Army club managers from Europe descended upon the Armed Forces Recreation Center here to meet with each other and discuss their problems with representatives of some of the support services which they are so familiar with and dependent upon.

One manager expressed his frustration this way: "If you're a club manager in the states," he said, "the people come to you, they deliver to your door and put it in your club. Here in Europe, club managers deal with Class VI, commercial entertainment, the civilian personnel office, the central accounting office, the troop issue support activity, the commissary, and the Army and Air Force Exchange Service. Everyone has to have a percentage from the clubs. We order on their forms; we order on their time schedule; we have to go to their facility to pick it up; we load it ourselves; and we are normally last priority on the availability of goods. It's costing us a lot of money to use these systems because we have to have vehicles; we need people to pick up supplies; we need administrative people to fill out the forms. We are obviously providing some sort of income to these activities by paying the mark-up and all we want is better service."

That was the tone of many of the over 30 sessions which the managers had with each of the support services at the 1979 Continuing Education Seminar described by almost all attendees as productive.



**BG William H. Fitts was the seminar's keynote speaker, offering managers the straight talk from the highest levels of USAREUR and 7th Army Headquarters.**

## USAREUR DCSPER opens seminar

BG William H. Fitts, USAREUR and 7th Army Deputy Chief of Staff for Personnel opened the seminar, telling attendees that Army club facilities in USAREUR have suffered from "over 30 years of neglect" and that the USAREUR leadership is "strongly behind" any move to make USAREUR clubs a better place and promised to do "whatever it takes to bring that about."

Fitts said that there are "exciting things" going in clubs in USAREUR and termed clubs a "major part of the quality of life effort."

On careers, Fitts assured the managers he has told the USAREUR Commander and Chief and the Army DCSPER that "we are going to have club managers wearing green uniforms and some way or another we have to have a career system that will permit them to work and progress in their career field." Fitts acknowledged that this isn't always the case and pledged to assist club managers. Fitts also predicted that Army club managers in Europe will continue to face high food and labor costs and urged managers to continue to work to improve the quality of clubs in Europe.

## High personnel turnover

The decline in the value of the dollar in Germany has forced many managers to stop hiring local German national workers and seek lower-cost American employees. This has increased club employee turnover and CPO expenses but it has caused more disguised costs such as more training expenses and less employee productivity.

Audace Previti, a USAREUR personnel expert, told managers that there is a 16 percent turnover of US NAF employees every three months equating to a near 65 percent turnover annually. This, he said, was partly due to lower wage rates for club NAF employees than the dining halls. Dining hall cooks receive \$5/hr. compared to \$2.90 for club cooks. During the personnel conference, it was brought out that the lower wage rates were false economy since it increased personnel costs to handle the higher turnover and forced club managers to be constantly training and retraining their employees.

He explained that appropriated wage grade scales are based more on "highly unionized" activities and the NAF wage rates are set at a lower rate because smaller establishments are surveyed to set NAF wage rates. There has been action to gain cost of living allowances for US NAF employees hired in Germany but the Navy, Air Force and AAFES opposed this move.

Another management complaint was that some

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CPOs are screening out many employees and that the referral lists which managers receive are inadequate. They claim that the CPO is making a premature value judgement and not considering management needs when developing referral lists. The managers complained of problems with personnel policy since every CPO appears to operate differently.

Other managers said that AAFES receives better personnel service since they have their own personnel

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### **Dining hall cooks receive \$5/hour compared to \$2.90 for club cooks.**

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offices and are consistent with NAF personnel policy. The managers also complained that referral lists are sent to all NAF activities at the same time and, when they find someone interesting, they are already hired.

### **Clubs have last TISA priority**

When shortages occur, clubs are the first to be cut off, said CPT James Fagan, a Troop Support Agency representative at the seminar.

Fagan said that the primary mission of the Troop Support Agency is to supply dining halls and warned managers that TISA standards may be higher than necessary for clubs. He said that clubs can save money by ordering only those TISA items which are the best buy.

Fagan said that clubs lose credibility with TISA when they special order and don't buy, causing TISA procurement people to be skeptical of future club orders.

He said that orders are placed between the 7th and 13th of each month and that there is a 60-day delivery time.

CPT James Yule from USAREUR DCSLOG explained commissary operations and policy.

### **Class VI system policies explained**

Bill Wagner, USAREUR Class VI Agency Director of Operations was on hand to explain the Class VI system and policies.

He told the club managers that a Class VI council, comprised of major command representatives sets policy for the Agency which is currently limited to stocking 320 line items.

Agency trucks deliver to the 75 class VI stores, according to Wagner.



**LTC Richard Ross, CCAMD European Regional Office Chief, urged club managers attending to let their views be known to the representatives of the various support services on hand. Ross said that club managers in Europe "depend heavily" on organizations such as AAFES, TISA, CPOs, CADs and commercial entertainment for their existence.**

He said that the Agency is suffering from inflation, especially in the area of store construction.

It isn't likely that the Class VI stores will stock miniatures since the Agency is having difficulty finding firms that will bottle them in the sizes to accommodate the USAREUR ration system, he said.

He said the USAREUR regulations prohibit the Agency from stocking over 100 proof alcoholic beverages but that it recently received an exception to stock 151 proof rum. The Agency is complying with the USAREUR effort to deglamorize alcoholic beverages by reducing alcoholic beverage proofs from 100 to 80.

There is currently a 90-day "pipeline" from order to receipt of US items, a sixty day cycle for United Kingdom items and a four-month "pipeline" for US West Coast and Puerto Rican items since these must be transhipped from Bayonne, N.J., according to Wagner.

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### **There is a 90-day (Class-VI) "pipeline" from order to receipt of US items . . .**

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Wagner said that the Agency had sales of over \$32 million (not including \$1,450,802 discount to clubs) in fiscal 1978 and that the outlook for 1979 is just over \$35 million. In fiscal 1978, \$10.1 million was made available to USAREUR for distribution to morale, welfare and recreation programs, according to Wagner.

The Class VI Agency has received initial approval to eliminate the \$5 per gallon mark-up on foreign items, said Wagner, who noted that, in the past, a \$2.17 bottle of foreign scotch had to be sold retail for \$8.40. He said that the Agency is awaiting implementing instructions.

Wagner said that club managers may request procurement of local products through the Class VI as an

*continued*

exception to policy if the club manager orders at least a ninety-day supply and provides the Agency with the name of the local vendor, number of cases, price and bottle size. He said that this may be done by telephone to expedite delivery. He noted that in the past four years that only one request for local procurement has been disapproved.

Wagner said that the Agency contracts with German firms to deliver to certain areas since US vehicles are prohibited from traveling through Austria and using German vehicles cuts about 500 kilometers off of the trip.

The Agency is renegotiating procurement of carafes of wine and will inform managers when available, he added.



**COL Lee C. Dickson, CCAMD Director explained Department of the Army policies and guidelines to managers during a special panel discussion that included representatives from US Army Europe and CCAMD.**

## Commercial entertainment

James Mayer of the USAREUR Commercial Entertainment Program said that every effort is made to insure quality entertainment.

Mayer said that agents are carefully screened and he urged managers to inform him of any breach of contract by the agents or performers. "We depend heavily on evaluation reports from club personnel," said Mayer, adding that management grievances should include the bands and dates involved.

Mayer said that he is working to limit entertainment previews to interested people only to create a "more professional atmosphere" for evaluating entertainment. In the past, clubs have opened the entertainment previews to the membership and, while that is good for business, it hampers professional evaluation of entertainment, said Mayer.

Discotheques were a popular subject among workshop attendees who complained of unusually high prices for DJs who furnish their own equipment. They



**CCAMD European Regional Office club management specialists Jim McCrindle, newly promoted WO1 James Lancaster and SFC W.E. Bryant assisted the Armed Forces Recreation Center kitchen staff in preparing prime rib for the seminar attendees and their guests. Here, McCrindle carves the ribs immediately prior to serving over 300 people.**

urged Mayer to consider development of standard DJ job description so that club managers could hire DJs as part-time club employees. One manager said that he used to have live entertainment seven nights per week and that he cut this monthly entertainment cost in half by having an in-house disco two nights per week, a professional disco two nights a week and live entertainment three nights per week.

Another manager considered it unfair that he was charged the same commercial entertainment service charge for booking a band on a recurring basis as those managers who are erratic in their booking procedures. He urged the commercial entertainment people to consider a more equitable method of assessing entertainment service charges.

"Treat your entertainment like a perishable item," suggested one manager, "and you'll get more out of them." "You have to buy at the right time and make sure you get delivery; then you must handle it properly and treat the entertainment in a civil manner." He also suggested to other managers that they make the employees aware that the band is to see the manager first and that managers should carefully explain to entertainers what they may eat and drink and outline other procedures prior to appearance.

USAREUR clubs accounted for nearly 95 percent of the commercial entertainment business in fiscal 1978.

## AAFES support

AAFES representatives at the seminar described the various programs made available to club managers but asserted that their primary mission is retail service

*continued*





CCAMD VII Corps team chief Joe Brandt discusses command club operations with managers from that command during special sessions for VII Corps club managers. Other sessions were held for the 21st Support Command and V Corps, the other two USA-REUR major commands.

and not club support. They said that there is continuing liaison between AAFES and the CCAMD European Regional Office to ensure clubs of better AAFES service.

The AAFES representatives said that charges for AAFES "procurement sales" are set based on "actual costs for procurement, processing and delivery. Another type of AAFES procurement is the "convenience sale" used to sell cigarettes, beverages, meat, and ice cream to clubs. They noted that "convenience sales" are not discounted in CONUS but are sold to clubs in Europe at cost plus charges to cover administration, transportation and other AAFES handling expenses.

AAFES officials said that 15 percent of items in the category of "expense supplies and equipment" are stocked specifically for clubs.

During 1978, AAFES supplied USAREUR clubs with \$4.3 million in direct-delivered off-shore beer and \$2.3 million in direct delivered off-shore soft drinks, according to the officials.

They said that despite the lower price for direct delivered beverages from Giessen, club managers preferred to pay the higher price for the convenience of purchasing beverages from foodlands.

Clubs and other NAFIs in USAREUR purchased about \$3.6 million of US beverages from foodlands in 1978 compared to less than \$1 million under the direct delivery method, the officials noted. Clubs may be faced with higher beverage prices in the coming year since AAFES may have a \$21 million shortfall in appropriated funds for transportation of merchandise from the US.

AAFES is currently developing a test program whereby meat and ice cream will be direct delivered from the

Gruenstadt central plant to area club systems, the officials said.

AAFES is also working with CCAMD to expand the offering of meat, ice cream, records and vehicles. The officials urged managers to actually purchase what they order to enhance club credibility with the new AAFES programs.

AAFES officials said that they will grant exceptions, in certain cases, to clubs to have furniture and other items supplied by brewers, provided this action does not affect the price of the product.

## Accounting improvements seen

Attendees at the six seminar accounting sessions were told that USAREUR is working to cut club accounting costs by 50 percent, according to COL J. Claude Wallace, Chief of Finance and Accounting, Office of the USAREUR Deputy Chief of Staff for Resource Management.

Efforts in this regard include centralization of payroll with 11 communities participating to date with estimated savings of \$5 per employee per month, according to Wallace.

The central payroll is expected to eliminate pay discrepancies, facilitate cost allocations to departmental activities and insure accuracy of deductions for

COCA COLA CS	\$ 4.95	6 CN FOR \$1.25
PEPSI COLA	4.95	
GINGER ALE	4.80	20
TOM OLINS	4.80	
QUINE WATER	4.80	
ROOT BEER	4.75	6 CN FOR 1.20
ORANGE SODA	4.75	
GRAPE SODA	4.75	
SEVEN UP	4.60	8 CN FOR 1.35
WILD CHERRY	4.80	
DR PEPPER	4.60	
CLUB SODA	4.80	
DIET SEVEN UP	\$4.40	8 CN FOR 1.30
DIE DR PEPPER	4.40	
DIET PEPSI	4.35	6 CN FOR 1.10
DIET TAB	4.35	
DIET FRESCA	4.35	
MILLER BTL	\$5.60	8 BTL FOR \$1.40
SCHLITZ BTL	5.60	
BUDWEISER BTL	5.60	
COLT 45 BTL	5.20	6 BTL FOR 1.30
PABST BTL	4.60	6 BTL FOR \$1.15
COCA COLA 1LT	\$6.00	1 BTL 20
HESSER QUELL	\$2.40	1 BTL 5
LOEWEN BT EXP	\$8.20	3 BTL 103
LOEWEN CN EXP	\$8.80	3 CN 110
LOEWEN HELL CS	\$7.00	1 BTL 5

Beverage price list at AAFES retail outlet reflects impact of loss of appropriated fund transportation subsidy.



**A partial view of the General Walker Hotel, where many of the workshop attendees stayed during the workshop. Conference facilities were used for the 1979 Club Management Continuing Education Seminar.**

taxes and insurance. Plans are to place the payroll system on a large computer, further reducing payroll administration costs through "economies of scale," according to Wallace.

USAREUR is also exploring a "single checkbook" to manage NAF cash and avoid bank charges for those NAFIs with small accounts, Wallace said. USAREUR finance experts envision tying this system in with one investment account with CADs able to transfer funds without making actual deposits and withdrawals. He estimated a significant amount of revenue could be generated by "freeing-up" excess cash reserves.

This program could eventually tie-in with the DA central investment program which is currently realizing high interest rates on NAF investments, he said.

Automated accounting is underway, according to Wallace, with plans for three central sites to process locally keypunched cards. Central sites are being considered because of the limited availability of non-tactical computers in USAREUR to accommodate the STANFINS/NAF programs.

USAREUR finance people are also working with CCAMD's European Regional Office in developing a standard daily activity report which may be printed on an envelope allowing managers to place supporting documentation inside.

It is expected that USAREUR will distribute about \$900,000 in Class VI net income for club accounting costs in fiscal 1979. This will only cover about 40

percent of fiscal 1979 USAREUR club accounting costs projected to exceed \$2.3 million.

Wallace said that USAREUR NAF accounting has had a "late start" and won't "catch up" with stateside NAF accounting for another year.



**BG W.K. Hunzeker, AAFES Europe Commander, told the seminar that the AAFES price goal is 20 percent savings compared to commercial establishments. He said that both clubs and AAFES affect the soldier's quality of life and both are in the food and drink business. He said that clubs should consider having an agreement whereby AAFES runs concessions and splits the income with the club. He predicted higher beverage prices since it currently costs AAFES \$4.39 per case for soft drinks now sold to clubs at \$3.51-\$3.67. He said AAFES is not interested in operating "clubs, nurseries or any other NAF activity," adding, "we will continue to do what we do best—that is the retail business." AH**

## **ECMC opens**

**FORT LAUDERDALE, FL**—The first of two 1979 Executive Club Management Courses opened on June 4 with an address by **BG Robert M. Joyce**, Deputy The Adjutant General at the Marina Bay training facilities here. 30 club managers are attending: five officers, three warrant officers, 20 NCOs and two civilians. This is the ninth executive course since the advanced club management education program began in 1975.

**AH**



GAO, from pg. 2

could be used to pay for more centralized management. The GAO noted that the Army, in 1977, distributed 36 percent of all package store profits (including the USAREUR Class VI Agency and Far East Locker Fund) to other MWR activities, the highest among all services.

Army officials say they agree with the concept of the GAO recommendation on package store distribution but that it does not take into account that clubs are one of the more essential MWR activities, ranking second in use only to sports activities and second in resale only to AAFES. As such, clubs are entitled to benefits from package beverage store net income distribution.”

The Army officials pointed out that, in the first half of fiscal 1979, Army clubs overall made money even without considering package beverage distribution to clubs.

It is unrealistic to abruptly withdraw the package store income from the total club operating picture, the officials said. Clubs budget to receive this income and use it primarily to finance capital expenditure projects to improve facilities and services and help pay administrative overhead expenses for support services like central accounting and civilian personnel offices, they added. To support this argument, they pointed out that in US Army Europe, clubs received minimal Class VI profit distribution but were nearly 93 percent profitable.

Further, asserted Army officials, “gradual weaning” of clubs from package store distribution is ongoing with 22.5 percent of package beverage net income from club-operated package stores in US major commands being distributed to the morale support fund in fiscal 1980 and approximately 35 percent being distributed to MWR activities other than clubs in fiscal 1981. The officials said that the reduction of administrative expenses to support centralized management of clubs has resulted in a 25 percent reduction in the assessment charged to package beverage stores and that this money is being directed into the morale support fund to fund other MWR activities.

The officials also pointed out that there already is a procedure for “equalizing” the distribution of package beverage store net income since local installation needs can also be satisfied through distribution of PX dividends and ability to produce enough “locally generated income” to finance local MWR programs.

## Separate package stores from installation club system

Another of the GAO’s five recommendations was to separate clubs and package stores as they have been in Europe to “provide a clearer picture of club opera-

tions and package store distributions.”

Army officials said that they agreed with the intent of this recommendation and that it is already being done.

The officials noted that the current nonappropriated fund management structure manages clubs and package stores as separate fund entities—with each budgeted and accounted for separately. They said that the structure and level of review fully complies with the GAOs intent and that separate administration, as the GAO has recommended, would result in increased administrative costs and could not offer any savings or additional benefits.

## Appropriated fund support

The GAO recommended that club dependence on appropriated fund support be reduced and that the services civilianize club operations to the maximum extent practicable. The GAO said that the “abrupt withdrawal of appropriated fund support is not feasible” and that it is “fundamental” that an equitable balance be struck between what the taxpayers should fund and what the service members should pay for.

Army officials said that they agree with the GAO findings. The Army is working toward an “appropriate mix” between these two funding sources. As this mix is achieved, clubs will hire more NAF civilian managers. The officials said that action is underway to reduce club dependence on these funds without “degrading” club programs and services.

The officials cited past studies which pointed out a need for appropriated fund support of clubs and said that they are working to hire more civilians for clubs. However, officials did express some concern about the ability to find enough civilian workers to volunteer for club positions overseas. Second, they said that specific rules applying to the hiring of foreign nationals could make civilian management of overseas clubs, an expensive proposition.

They pointed out that the majority of Army clubs are located overseas and that there is a need for military managers, especially in time of war. This necessitates a valid career pattern for military club managers, meaning the opportunity to progress and be provided with enough positions in stateside clubs to experience a proper rotation of assignments. Army personnel officials say that the club management specialty is already space imbalanced and that to eliminate too many jobs could make the situation worse.

## Club consolidation

The fifth and last GAO recommendation was that the services “seriously consider consolidating” clubs

*continued*

when self sufficiency cannot be attained. The GAO said that this consolidation should “ensure improved services to all eligible personnel.”

Army officials again agree saying that the GAO view on consolidation is “consistent with DOD and Army policy” and that club technical training and management assistance teams “continuously evaluate” club operations and recommend consolidation “when it makes sense.” The officials pointed to a rise in the number of consolidated clubs from 14 in fiscal 1976 to 34 today as proof of their consolidation efforts.

The GAO review was performed at the request of Representative Dan Daniel (D-Va.), Chairman of the Nonappropriated Fund Panel, Investigations Subcommittee of the House Armed Services Committee. Daniel requested the report in December 1977 asking the GAO to determine whether the military club system could be improved by eliminating or consolidating activities, reducing operating hours, or establishing realistic prices. Daniel also wanted to know: if improvements were needed in the management of package store profit distribution, the need for the assignment of appropriated fund personnel, and whether club and package beverage store participation is consistent with their mission and whether a more centralized system for managing clubs and package stores would be better.

It is anticipated that the GAO report will provide the basis for more hearings on club and package store operations. The report was requested after hearings held in the Fall of 1977.

The GAO visited five Army installations during the course of the review.

## Demographic observations made

The GAO report said that the ending of the draft and the reduction of the Armed Forces following the Vietnam conflict has changed the military to where 55 percent are married, most with minor dependents. The GAO said military personnel are now paid on a more comparable basis with private sector workers and that living quarters have improved. It also said that civilian communities adjacent to military installations are becoming more urbanized. These trends present “both benefits and drawbacks” to the military community in terms of leisure-time activities causing “accompanying disciplinary and community relations problems.”

## Attitudes toward clubs gauged

As a part of the review, the GAO mailed questionnaires to 4,708 of the 2.1 million service members in 1977 and received 3,210 in return.

The survey showed that about 60 percent of Army officers indicated they felt “pressured or obligated” to

join a club and that the average serviceman uses the club about 96 times per year, including 54 meals. 24 percent of servicemen never use clubs and an additional 20 percent less than once a month. Higher ranks use the clubs more and the GAO found a positive correlation between “career intent” and club use.

Other results of the GAO survey were: junior enlisted go to the club for drink prices and entertainment while senior enlisted go to cash checks, socialize and get lower prices on their drinks.

Army officers’ paid an average of \$9.50 per month dues in 1977 and 25 percent viewed dues as “unreasonable.” Club usage was found higher in foreign areas due, according to the GAO, to “decline in dollar value,” relative isolation, and the club’s familiar atmosphere in a foreign environment.

About 30 percent said that unprofitable clubs should be closed and enlisted preferred consolidation and officers’ separation. The GAO acknowledged that each installation has unique characteristics that must be considered prior to consolidation and that one type of consolidation, i.e., same dining room, separate bars, may work at one installation and not another. The GAO concluded that the services should determine how the needs of their personnel could be better served, attract members and not pressure them, improve club facilities and programs, and consolidate where necessary.

The GAO said that clubs “fill a void” in the lives of personnel stationed overseas and the services should provide programs to ensure that the “quality of life overseas” is equal to that of stateside military personnel. AH

## Army Secretary: “Army working well”

WASHINGTON—“Today’s Army is working and working well,” according to Army Secretary Clifford Alexander.

In remarks before the House Armed Services Committee, Alexander said that cases of AWOL have declined by a factor of three since the last year of the draft—from a rate of 41.6 per thousand to 12.18. Over the same period, desertions have decreased by a factor of five—from 15.5 per thousand to 3.23.

Alexander told the Congress that he appreciated the support which the Congress has provided in improving the quality of life for soldiers and families.

He attributed a certain amount of alcohol and drug abuse to the “inadequacy of activities which meet the social and psychic needs of our soldiers.” We must see to it that our efforts to keep improving quality of life do not lessen simply because the media moved on to other subjects,” he said. AH



## Fort Riley club addition

**FT RILEY, KS**—The Fort Riley Officers' Club has opened a new 20,000 square foot addition that includes a ballroom, party rooms, an informal lounge and a remodeled outside terrace.

The officers' club has modern equipment and a new menu to go with its new look. There is a computerized



The \$1 million addition to the Fort Riley Officers' Club overlooks the golf course.

## Lee O' Club east wing opens

**FT LEE, VA**—A \$1.4 million renovation project has been completed on the Fort Lee Officers' Club, ending a year-long wait for club members.

The project was the biggest remodeling of the club since it began operating in the early 1940s.

The dining room has been enlarged and is capable of being converted for luncheons or private dinners. A basement bar, the Bronco Bar, has been redone in English Pub style and enlarged to include a spacious bar, a mini kitchen, a pool room and game area.



The newly renovated Fort Lee Officers' club dining room.



A club DJ selects sounds for the club's new \$30,000 discotheque.

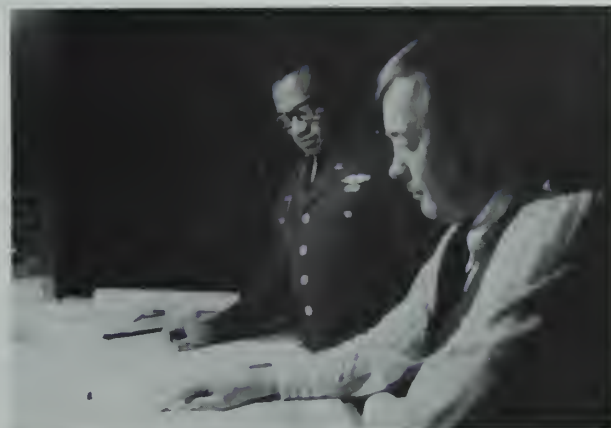
cash register system, an automatic liquor dispensing system and complex kitchen equipment designed to speed service and improve the quality of food served at the club.

The club, which took seven months to complete also includes a \$30,000 discotheque. The club's manager is MAJ Pete Issacs. AH

Most of the club's improvements are not immediately visible to the membership. These include a modernized kitchen, a new roof, and central heat and air conditioning.

The Fort Lee Officers' Club manager is CPT Barry C. Lumpkin. AH

## On the drawing board



Much club interior design and rendering has its beginnings on the drawing boards of the Club and Community Activities Management Directorate's Facilities Branch. Here, designer Jim Lindamood (seated) reviews new club plans with MAJ Earnest Simmons of the Directorate's Central NAF Procurement Office.

# Central payroll—standardized and efficient

*This is the third and last in a series on accounting for nonappropriated fund dollars.*

*Ultimately, the nearly 18,000 Army nonappropriated fund employees will have their paychecks at one site—Red River Army depot, Texas where conscientious people are undertaking this task with good results.*

**RED RIVER ARMY DEPOT, TX**—Everyday is payday for the people here who work on the Central Payroll System. It's a massive undertaking by any standard but one which is already reaping great dividends for Army nonappropriated fund activities at 54 installations which currently have their 10,000 employees on the central payroll.

Red River Army Depot led the way in NAF accounting, developing the software for the Army's NAF accounting system, STANFINS/NAF and serving as the central site for NAF accounting for many army installations, saving the Army hundreds of thousands of dollars along with improving the accuracy accounting integrity of Army installations nationwide.

Now they are tackling payroll and also handling it well.

The Central NAF Payroll System is designed to provide standard payroll services to Army NAF civilian employees in the continental U.S. and Alaska as well as performing associated functions such as deductions, employee contributions and leave and retirement accounts, according to central NAF payroll managers.

## Background

In September of 1975, the U.S. Army Finance and Accounting Center (USAFAC) was designated proponent for nonappropriated fund accounting and directed to establish an automated payroll system. USAFAC surveyed and analysed NAF payroll for one year and decided that the local system for paying NAF employees was full of discrepancies, lacked standardization and was costly to NAF activity managers. A central system was developed at Red River Army Depot and this system has been in production since October 1976.

From June 1977 to June 1978, six other U.S. Army Development and Readiness Command (DARCOM) installations besides RRAD were placed under the central payroll system and in August 1978, Fort Belvoir became the first Army installation outside of DARCOM to come under the system. Today, over

half of Army NAF activities in the US are paying their employees from Red River Army Depot.

## What is the system?

Program managers describe the system as independent and stand-alone. It receives input from keypunched cards which is stored on master disks. Information contained on the master file consists of data on the installation which is under the system, a master

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### **. . . there are many advantages to the new system . . .**

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employee record file containing the employee's personal data, current employment data, pay and leave data, plus quarter-to-date and year-to-date pay and leave data. Another file contains the names and addresses of all financial institutions, unions and charitable organizations to which composite checks are addressed.

## How it works

The central system works much like the traditional local system with time and attendance cards prepared by local timekeepers for the funds and activities on a daily basis. The supervisor approves a consolidated time and attendance sheet at the end of the pay period which ends every other Wednesday. These reports are turned over to the central accounting office or the finance and accounting office which mails them to the Red River Army Depot by close-of-business on Thursday.

The civilian personnel office submits a copy of all personnel or payroll change actions to the Central NAF Payroll office daily. Central Payroll people then check the totals with the local payroll clerk and if they're correct, the processing begins.

## Conversion—detailed but simple

Conversion to the system requires a great deal of coordination at the installation: between the central accounting office, finance and accounting office, the director of personnel and community affairs, the civilian personnel office and the unions. Here, these people coordinate on projected changes in the pay period and payday along with informing the employees about the system.

USAFAC and the installation also must work out the milestone dates for accomplishing the coordination such as the completion of loading the master file and pay dates.

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(L to R) Aven Williamson, Brenda Harris and Greg Porter are key people in the Central NAF Payroll System's success to date.

Next, local records must be "purified" to insure that there is up-to-date information loaded into the central system. This takes about 3-4 weeks.

The records are then boxed and sent to Red River Army Depot where they are "loaded" into the computer for processing.

### System accomplishes all payroll functions

Red River and USAFAC people say that there are many advantages to the new system besides the low costs (currently at \$1 per person/ per pay period). The new system allows for Federal Withholding Tax, state withholding, city and county withholding, savings bond deductions, two charitable contributions, savings allotment deductions, union dues and other union benefit deductions.

It computes leave and automatically "cuts-back" leave from sick to annual to leave-without-pay. It accrues days towards step increases, and automati-

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### ... many local inconsistencies, discrepancies, and inaccuracies have surfaced

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cally "cuts-back" to 48 hours for military pay. The system incorporates tips and meal accounting and prioritizes withholdings. If an employee works at more than one NAF activity, the system treats that employee as a separate entity.

Installations using STANFINS/NAF can use the payroll data to update the general ledger. The system will eventually allow Department of the Army to more accurately report the number and type of NAF employees working for the Army. The system also is set up to interface with TAGCEN's Group Insurance/ Retirement Plan, eliminating lengthy and costly paperwork.

## Central system corrects old problems

Program managers say that many local inconsistencies, discrepancies, and inaccuracies have surfaced since the central payroll system began.

Before centralization, some employees were paid for sick leave instead of annual leave upon resignation. Program managers found temporary employees receiving leave, insurance and retirement benefits.

One installation was performing the payroll function for three other installations without sufficient documentation and no idea of when to grant step increases for intermittent employees. The new system has corrected this.

Some installations had two-month payroll backlogs and entire accounting offices had to be placed on processing payroll alone.

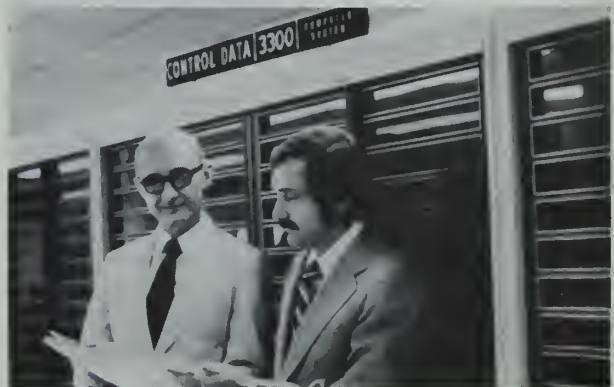
Of course, there were local errors under the old system in deductions, hours and leave calculations, but program managers said that these problems were minor compared to instances of employees working as much as 80 hours overtime and 7-day work weeks.

Like STANFINS/NAF, the central payroll system forces sophistication and accuracy in reporting since certain documents must be provided for the system to work. This has injected integrity into a system that, at some installations, appeared to be out of control before centralization occurred.

### Substantial savings

With all of the advantages to the new system, it would appear more costly. Program managers cited drastic savings from the old system. In the past it cost anywhere from \$1.30 to \$9.50 to issue a check to a NAF employee. In some cases, they point out, it cost more to process the paper to pay a person than the amount of the check.

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In the Management Information Systems Office, William Whittington and Bobby McNatt view payroll output from a CDC 3300 computer.

The new system costs the installation about \$1 per check and program managers hope to further reduce costs by investing payroll money kept on hand at Red River.

Red River's central system will ultimately save Army NAF activities nearly \$500,000 annually with better, more accurate service, program managers say.

### **System has high quality control**

But is it more accurate? Program managers say that there is a 1-3 percent error rate after installation NAF employees are fully converted. Although they are constantly working toward zero defects, they say that, initially, there is a 6-8 percent error rate but that this rate normally drops to about 3-5 percent after two pay

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#### **. . . there is a 1-3 percent error rate . . .**

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periods and 1-3 percent after about eight weeks of operation. Most of the errors are made by local installation time and attendance keepers instead of at the central processing point, according to the program managers.

Nonetheless, the error rate compares favorably with STARCIPS, the Army's payroll system for appropriated fund paid civilians where there is reported to be a 5-6 percent error rate.

Red River people say that errors can be corrected by telephone and subsequent supporting documentation and that Red River payroll clerks will work hard to correct errors quickly.

### **Timeliness**

If checks are late, it isn't the fault of Red River Army Depot. The blame may lie with the US mail, local installation distribution or with the installation furnishing time and attendance information late to Red



**Workers in the Red River Accounting Office not only produce payroll for over 10,000 NAF employees but also provide STANFINS/NAF support for several DARCOM installations.**



**Hours of keypunching are needed to load employee data onto the computer.**

River. Red River program managers say that they are working hard to pay people on time. The Red River payroll experts say that they understand that many club employees are skill level workers and need their checks on time since many live "paycheck to paycheck". They urge NAF managers to assist them by getting the right information to them on schedule.

### **What do the NAF managers say**

A telephone survey of NAF managers having employees paid from Red River found most pleased with the system, especially the dollar savings.

There are some complaints of late paychecks but follow-up indicated that the late checks were not the fault of the payroll people at Red River Army Depot.

One manager reported \$2,000 per month in payroll savings alone and said that the service had actually

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#### **NAF managers (are) . . . pleased with the system, especially the dollar savings.**

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improved since conversion to the central system.

Another club manager said that he was skeptical of the system at the beginning since there was about 10 percent error rate, but he said that the longer the club was on the system, the more accurate it became—and he didn't have any complaints about the cost.

One manager complained that his payroll was six days late only to find the paychecks in the installation distribution center.

### **Employees like the system**

NAF employees like the new central payroll system since they receive more information than ever before along with their paychecks. and the system is compassionate.

If, for some reason, paychecks are late, there are provisions for employees to be paid locally through a

*continued*

**Army Host**



variety of methods including bank-wire transfers, telephone conversations or other electronic media to expedite checks to NAF employees. Program managers say

### **Red River experts . . . understand that many club employees . . . live "paycheck to paycheck".**

that there are only "very rare" instances of an employee not receiving the paycheck on the day needed.

### **USAREUR payroll**

Today, about 45 percent of USAREURs approximately 8,500 NAF employees are paid from a central location in Heidelberg, according to Mike Kelly, a USAREUR Headquarters system accountant.

The central payroll is voluntary except that all recreation service employees must be paid centrally. It costs \$2.60 to pay a person twice a month, down from four

dollars per month at the program's inception as overhead is allocated over a broader base.

Kelly expects more employees to be paid centrally as the cost continues to drop, but added that USAREUR is "apprehensive" to make it mandatory if it is cheaper to pay employees locally.

The USAREUR central payroll program differs somewhat from the stateside system in that payroll is computed centrally and funds are drawn locally, thereby not impacting upon the NAF activity's cash flow. Also, USAREUR payroll has to consider housing and cost of living allowances not paid to stateside NAF employees.

German national employees are paid by the German Office of Defense Cost in accordance with Status of Forces agreements whereby NAF activities provide funds to this office which, in turn, pays German NAF employees. **AH**

## **Warrant accession program opens Aug 1 - Sep 30**

**WASHINGTON**—Noncommissioned officers may apply for the club management warrant officer (021A) program from Aug. 1 - Sep. 30, according to Army personnel officials.

It is one of the few times of the year that applications are accepted for appointment to warrant officer. Applicants will be evaluated by a HQDA selection board and those determined to be qualified will be listed in order of their qualifications on a roster of potential appointees.

Last year, five of 13 applicants were approved for

appointment to warrant officer under this program, according to personnel officials.

Details on the program are contained in DA Circular 601-81, Warrant Officer Procurement Program. Applications should be submitted through personnel channels. Questions regarding the program should be directed to the local military personnel office or to HQDA (DAAG-CM), Washington, D.C. 20314 (AV 223-1044 or (202) 693-1044). Personnel in overseas areas should contact their local MILPO or the CCAMD regional office. **AH**

## **Enlisted get club at Tripler**

**TRIPLER ARMY MEDICAL CENTER, HI**—An enlisted/NCO club has opened on the lower floor of the officers' club at this Army Medical Center in Hawaii.

Command Sergeant Major Talbot Oliverson provided the impetus for the club which was created to provide enlisted soldiers at the hospital with a place to go during off-duty hours.

Oliverson credited the support of WESTCOM Commander MG Herbert W. Wolff with giving the enlisted soldiers a place of their own.

The move eliminated the need for extensive renovation of an existing building or construction of an enlisted club, allowing the money to be put elsewhere within the club system, according to **SGM Ernest Sands**, NCO Branch Manager and former Senior Club NCO at the Club and Community Activities Management Directorate at the Adjutant General Center. **AH**

## **COLA cut in Germany**

**WASHINGTON**—Cost of living allowances (COLA) for soldiers stationed in Germany were cut May 11, according to DA officials, but only by half of what was originally planned.

COLA rates decreased by 10 to 25 percent depending on the duty station location. At the same time, housing allowance will increase moderately at most duty stations in Germany, officials said.

The COLA cut was due to a high US inflation rate coupled with recent AAFES price freezes.

Original cuts were to be 20 to 50 percent but the European Command (EUCOM) asked for a reconsideration since the AAFES price freeze ended in January 1979.

Soldiers on duty outside the US receive an allowance to cover additional costs. Allowance amounts depend on costs of living and currency exchange rates.

**AH**

# It's budget time

*Reflects commitment to better facilities.*

**WASHINGTON**—Reflecting the Army's commitment to improved club facilities, guidance and instructions for preparation of fiscal 1980 club annual operating, capital expenditure and appropriated fund support budgets have been distributed to Army club managers.

This year's instructions set the minimum net income objective for each membership branch at an amount sufficient to support capital expenditures, sinking fund deposits and loan repayments or five percent of total revenue, whichever is greater. DA club officials stress that net income objectives are "minimum standards only" and must be increased as the needs of the branches increase.

Package beverage branch assessments paid to the Army Club Fund will be eliminated. Concurrently, distributions of PBB net income to Installation Morale Support Funds (IMSF's) will be at the discretion of commanders concerned, but in no case less than 22.5 percent. The remaining PBB net income will be distributed between officer and NCO/ENL club branches based on PBB patronage ratios.

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## **Budgets allow managers to identify problem areas . . . and take immediate remedial action.**

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Officials also said that club money received from dues and package beverage net income should be earmarked for capital improvements and club managers should work toward at least breaking even in all activities except: administrative labor, administrative support central accounting, civilian personnel office and central procurement expense.

Those clubs which operate billeting funds are required to submit a guest house budget as an addendum to the overall club operating budget.

The letter of instruction also makes it mandatory for clubs to establish sinking funds for fixed asset replacement by 1 October 1979, the beginning of fiscal 1980.

The budget instructions include a check list, average percentages for major club expense items for fiscal 1978, guidance for budget revisions, standard rates for costing personnel services, instructions on computing the monthly variance analysis and all the forms needed to prepare the budget.

Also provided with the letter of instruction are guidelines for projecting cost increases of major club used items with soft drink costs expected to rise 6-8 percent, beer 5 percent, liquor 3 percent, food 8 percent, furni-

ture, fixtures and equipment 6-8 percent, and building improvements 7 percent.

## **Careful attention urged**

DA club financial experts urge installation, branch and annex managers to carefully develop their budgets since they can be effective management tools. Managers should look at budgets as an opportunity to enlarge lower level participation in management decision making and should encourage openness among activity supervisors. The manager should in turn explain the purpose of budgeting to activity managers and explain why more money has been allocated to one area and taken from another, the officials said.

Budgets also allow managers to identify problem areas throughout the year and take immediate remedial action.

The officials said that club goals and expectations should be based on the manager's interpretation of past club experience and a careful evaluation of the present situation and the best guess about the future.

Installation club managers should meet with various support offices to obtain cost estimates and statistical analysis of the club system's operation from the central accounting office to aid in the budgeting process. While this information is being developed, ICM's should meet with each of the branch managers to discuss operations and establish overall operating goals. The ICM and branch managers should identify seasonal trends and use estimates from the support offices to predict the future.

The officials recommended that managers also carefully consider impending food and beverage cost increases as well as potential labor cost increases when developing percentage goals. **AH**

## **Loan program update**

*Three clubs pay ahead of schedule.*

**WASHINGTON**—Three clubs have paid their Army Club Fund loans ahead of schedule: US Army Support Command, (Hawaii) NCO Club, Fort Lewis, (Wash.) NCO Club, Fort Meade, (Md.) NCO Club.

At the close of the second-quarter fiscal 1979, there were 16 loans outstanding with face value of \$13.3 million of which \$6.5 million had been repaid. Loans valued at \$2.9 million are currently being made and seven other loans are pending worth \$5.3 million. The total face value of active and impending loans is nearly \$21.5 million for 28 projects.

The Army Club Fund provides interest-free loans for construction and renovation of club facilities, complementing the Club Facilities Improvement Program. Prompt payment of loans makes funds available for other projects. **AH**



**CCAMD**, from pg. 1

The new Directorate was formed as a result of an “increasing need for more effective DA level management and oversight of all categories of nonappropriated fund activities,” according to **COL Lee C. Dickson**, CCAMD Director. The Directorate provides a single focal point at HQDA for all nonappropriated fund policy, financial management, technical supervision, and oversight control.

The Directorate has nonappropriated fund management responsibilities previously assigned to the Program Analysis and Resource Management Directorate, the Club Management Directorate, and the TAGCEN Office of the Comptroller.

CCAMD is organized into three divisions and three regional offices, each having specialized responsibilities for supporting the Directorate mission. Internal Directorate management and administration is assigned to the Office of the Program Coordinator.

## **Plans and Policy Division**

This division is responsible for Headquarters, Department of the Army policy and planning for management and administration of Army NAF activities. It is also the Department of the Army staff point of contact for all matters pertaining to the Army and Air Force Exchange. This division is proponent for AR 210-1, 210-25, 210-53, 210-55, 210-65, 230-1, 230-6, 230-7, 230-9, 230-14, 230-16, 230-60, 15-110, DA PAM 27-154. It is also the Army point of contact for AR 60-20, 60-21, 60-10, 60-31, and DOD NAF directives.

Nonappropriated fund activity managers in the fifty states, Canal Zone, and Puerto Rico who have questions regarding these regulations should contact HQDA (DAAG-CMP), Washington, D.C. 20314. Nonappropriated fund activity managers located in overseas areas should contact the CCAMD regional office in their geographical area.

## **Financial Management Division**

This division manages, administers, and accounts for the Army central nonappropriated funds; determines objectives and standards for ARMY NAF activities, reviews operating results and requires resolution of variances. It also supervises the DA NAF risk management, group health/life insurance and retirement program, and NAF loan and grant programs.

Correspondence intended for this division should be addressed to HQDA (DAAG-CMF), Washington, D.C. 20314. Nonappropriated fund activities located in the fifty states, Canal Zone, Puerto Rico, and the Far East which are required to furnish budgets and financial statement to the Department of the Army by

AR 230-1, 230-60, or AR 230-65 should forward these statements to this address. Nonappropriated fund activity managers located in Europe should furnish budgets and financial statements to the European Regional Office. CCAMD's European Regional Office address is provided further in this article.

## **Training and Assistance Division**

The Training and Assistance Division is responsible for: coordinating technical training and management assistance for clubs and other nonappropriated fund activities; training and career development for managers of Army clubs and other NAF activities; managing the DA NAF facilities improvement program; operating the NAF central procurement program; and providing marketing and entertainment assistance.

Correspondence pertaining to this division should be addressed to HQDA (DAAG-CMT), Washington, D.C. 20314.

## **CCAMD Regional Offices**

Three CCAMD regional offices provide onsite technical training and management assistance to Army clubs and other morale, welfare and recreational activities which have full-line food and beverage operations or have resale operations. Additionally, these regional

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**CCAMD . . . is responsible for determining and insuring compliance with policy, standards and objectives for the operations of Army NAF . . .**

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offices monitor operations and provide technical guidance and oversight review. Regional offices also interpret Army club policy, procedures, and practices; provide technical assistance to staff elements of major commands; and conduct continual analyses of clubs and other NAF activities to monitor financial trends and review audit and inspection reports.

The United States Regional Office is responsible for performing regional office technical training and management assistance functions for clubs and other nonappropriated fund activities in the fifty states, Canal Zone, and Puerto Rico. It is divided into three “desks” or teams: US Army Forces Command, US Army Training and Doctrine Command, and US Army Materiel Development and Readiness Command.

Correspondence intended for the United States Regional Office should be addressed to HQDA (DAAG-CMC), Washington, D.C. 20314.

The Korea Regional Office performs the regional office technical training and management assistance

See **CCAMD**, pg. 22

## Faster, cheaper, more accurate



CCAMD European Regional Office accounting experts Bob Farinella (right) and Terry Ekoos review club quarterly operating results shortly after receiving the last club statement. New operations at the CCAMD regional office compute automatically and calculate percentages. By employing limited automation in the review and analysis section of the European Regional Office, the quarterly USAREUR major command summary is made more accurate, produced faster and cheaper, allowing the Regional office to shift personnel spaces to other projects.

## Morale support impetus

WASHINGTON—Recently distributed AR 28-1 stresses streamlining of the morale support management structure to provide the most cost effective programs possible, according to TAGCEN officials.

Program managers should work to eliminate layering and inefficiencies to better meet Army community needs, the officials said.

Many installations cannot afford the luxury of separate facilities for each recreational activity, the officials said, adding that the new regulation stresses multi-use facilities and integrated programing. To assist installations in this concept, Department of the Army is developing a multi-purpose morale support activity facility design guide but until it is completed, installation resource managers are urged to vary usage of existing facilities wherever possible.

The new regulation also contains guidance on reasonable user fees for some MWR activities but states that primarily appropriated funds should pay for: self-directed and unit or intramural level sports activities (including gymnasiums), libraries, recreation and unit entertainment centers and user fees not charged. AH

## Joyce is new DTAG

WASHINGTON—BG Robert M. Joyce has been named Deputy The Adjutant General. Joyce became DTAG after commanding the 1st Personnel Command, the successor to MILPERCEN-Europe.

As Deputy The Adjutant General, Joyce is involved with Army's community life programs including the management of clubs, nonappropriated funds, and other MWR activities. A graduate of West Point, Joyce served as MILPERCEN Chief of Staff before commanding the 1st PERSCOM. AH

## EUSA Club Fund dissolved

SEOUL, S. KOREA—Due to a depletion of assets and the ability of Eighth Army clubs to finance their own capital expenditures, the Eighth US Army Club Fund has been dissolved.

The Fund was established in 1958 to provide financial assistance to clubs in Korea. The majority of the Fund's assets were redistributed in 1972-73 to cover operational losses and severance pay during the phase-down and eventual dissolution of the Okinawa Club System. The remaining assets of the fund (about \$100,000) were distributed to Central Investment Program accounts of club systems in Korea on a prorated basis. AH

### Glad you asked

What is the proper form to use for procuring from commissaries by nonappropriated fund activities?

DA Form 3161.

CCAMD, from pg. 21

functions for clubs and other nonappropriated fund activities located in Korea and Japan.

Correspondence should be addressed to the Korea Regional Office, Club and Community Activities Management Directorate, The Adjutant General Center, APO San Francisco 96301.

The Directorate's European Regional Office performs the regional office technical training and management assistance functions for clubs and other nonappropriated fund activities located in Europe. Additionally, this office reviews and analyzes annual operating budgets, capital expenditure budgets, and financial statements for clubs and certain other NAF activities in Europe.

Correspondence should be addressed to European Regional Office, Club and Community Activities Management Directorate, The Adjutant General Center, APO New York 09090. AH



# Club designed for enlisted opens at Knox

*Disco, fast food gives the troops what they want.*

**FT KNOX, KY**—Enlisted soldiers and guests here are dancing, dining and drinking in style at their own club, designed and built expressly for the lower ranks.

The \$900,000 facility is the first new Army enlisted club to be completed in the United States.

The 300-capacity club features a \$25,000 disco package, a dining facility, a full-service bar and game room with three pool tables and six pinball machines.

The disco features a 16-foot-square dance floor which lights up in a wide array of patterns while spotlights beam down from the ceiling.

A \$2 annual membership fee entitles enlisted persons to purchase from an extensive menu including steak, pork, fish and chicken along with a variety of short-order items.

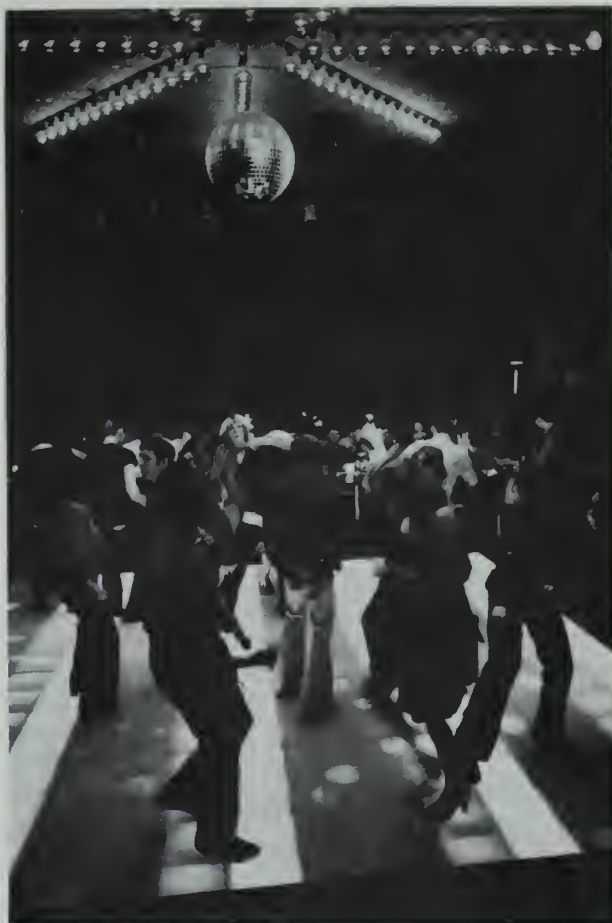
"The environment and atmosphere of the new club will be totally different from those at the previous club and once the soldiers see the services we're going to offer we hope more interest will be generated in the club," **Wilburn Fitzpatrick**, enlisted club manager, said last week.

"We feel that the disco will add greatly to the appeal of the club for the young soldier's entertainment," Fitzpatrick said. "A disc jockey and dance contests will also help to improve the club's program." The major problem with enlisted clubs in the past was that women became disenchanted with the atmosphere, another official said. "The old club was just a renovated hall, and we couldn't provide the services we wanted to there," **Maj Stephen Hill**, installation club manager, said. "The environment in the old club was not conducive to people behaving themselves. So consequently, women stopped participating. We're hoping the enlisted people will appreciate the new club more. It's a much nicer facility."

To insure an attractive atmosphere, club officials have installed a closed-circuit camera system to aid security people.

The system can be monitored from the manager's office and the main security guard's desk at the front door, Fitzpatrick said.

Fort Knox is located near Louisville, Ky. and a Louisville Courier Journal article said that the club should aid soldiers in avoiding local downtown "clip joints" where waitresses hustled \$5 drinks of tea before the soldier could sit down.



**Disco action at the new Fort Knox enlisted club.**



**Members and guests arrive for a night of disco and food.**

*Adapted from "Nightlife: New club to feature disco, games food, bar" by Bob Miles, Fort Knox Public Information Specialist.*

# Huachuca dinner-theater works well

*Lights, action, steaks.*

**FT HUACHUCA, AZ**—A sell out crowd packed the La Hacienda Club here recently to dine on inch-and-a-half-thick sirloin steaks and to guffaw at a racy stage play in the club's highly successful first shot at local dinner-theater.

The ticketbuyers filtered in from 6 p.m. until just before the 9 p.m. curtain time, some apparently having been fooled into thinking things wouldn't start quite on time. On the contrary, considering it was the club's first try and custom-ordered steaks were the evening fare, the event was smooth and the play, on schedule.

With hefty steaks for 280 people, the play provided the rest of the evening's fare.. Although written in 1958, "The Tunnel of Love" as performed by the Antique Festival Theatre players concealed its age well. The sharp one-liners still have bite.

"This was the first try," said assistant club manager **SFC D.D. "Mac" McDonald**. "We wanted to give the members something different. We must have hit a sensitive nerve because a lot of people have been saying we ought to have dinner-theaters more often."

McDonald and club manager **MSG Dave Hunter** assured persons more than once Friday that they hadn't missed any previous dinner-theaters at the club. "You do this kind of thing?" one asked incredulously. "We do now," was the pithy reply.

The two stood in the lobby at 11:15 p.m. as the audience snaked its way into the parking lot. From the smiles and handshakes proffered, and comments ranging from "fantastic" to "when do we do it again," La Hacienda may have a winner on its hands. **AH**



**Back stage, Walt Wojcik tends La Hacienda's grill, which was used to cook some 280 steaks that had been marinated 24 hours in chef J.W. Nole's personal sauce just for the occasion, the club's first attempt at a dinner-theater.**



**On stage, Pat Moothart, playing our hero, pleads with Dorothy Omes in the night's play "Tunnel of Love."**

photos by Hara

## First 1979 Club Management Course attendees and destinations

SSG Howard G. Aden to Europe; Kwang-Sik Chon, rtn to Korea; CPT Charles M. Babb to Europe; SSG Franklin P. Cochiasue to Fort B. Harrison; CPT James D. Colepaugh to Korea; MAJ Walter L. Corey, rtn to Fort McClellan; SFC Rowland E. Crookham to Fort Riley; SFC Donald W. Davis to Europe; June A. Dean, rtn to Fort S. Houston; SSG George E. Decker to Europe; SP5 Rickie Evans to Walter Reed Army Medical Center; SFC Leonard Farano to Fort Riley; 2LT David F. Faulkner, rtn to Fort Eustis; SFC Thomas H. Grant to Europe; 2LT Elizabeth A. Gorny to Europe; MAJ William E. Henderson to Europe; CPT Paul W. Herrick to CCAMD, Europe Regional Office; SP5 Jarrell S. Hessler, rtn to Korea; SSG Larry K. Keune to Europe; CPT William H. Kirby, CCAMD; CPT Richard A. Kubiak, CCAMD; SSG Anthony W. Lodge to Europe; SFC Robert J. Moltrum to Europe; 2LT Terry Moore to Rock Island Arsenal; SSG Phillips Morgan to Canal Zone; CPT Homer A. Newman to Fort Drum; SFC Leon Peoples to Europe; SFC Kenneth R. Pirwitz to Europe; MAJ Jimmie D. Roberts, rtn to MDW; MAJ Michael J. Roth to Korea; Philip T. Smith to Fort Rucker; SSG Wayne N. Smith to Europe; SFC Ernest K. Taylor, Jr. to Fort Gordon; CPT Edward A. Urben to CCAMD; SFC Herman F. Wagner to Fort Ritchie; SFC Willie Washington, Jr. to Fort Stewart; SFC Herman F. Wagner to Fort Ritchie; SFC Monte B. Whitfield to Europe; Chong Kyu Yi, rtn to Korea; Tu Pong Yi, rtn to Korea; Yong Sun Yun, rtn to Korea. **AH**



## Korea workshop stresses "extra step"

*Support services make presentations.*

**SEOUL, S. KOREA**—Nearly 50 club and AFRC managers were urged to "take an extra step" to achieve professionalism through service during the fourth annual Club and Community Activities Management Directorate Korea Regional Workshop held at the Hartell House here.

Attendees were urged to strive to please their patrons by keynote speaker BG Elmer D. Pendleton, commander of the 19th Support Command, Eighth US Army. Pendleton opened the 4-day workshop by discussing the "new breed" of club managers and stressed the absolute necessity for continued integrity on the part of the club personnel.

Presentations ran the gamut of the club management system with attendees being versed in the support services available to them from the Far East Locker Fund, Eighth Army Entertainment Contracting Office, the Korea Procurement Agency, Facilities Engineers, and the Army Printing and Publications Center.

**COL Al Abraham**, Chief of Training and Assistance, Club and Community activities Management Directorate provided an in-depth report on the recent changes in the morale, welfare, and recreation area and



**John DiPol**, CCAMD facilities design specialist gave a presentation on club design.

gave the attendees an idea of what might be expected in the future.

CCAMD's John DiPol, a facilities design specialist made a presentation on club design and kitchen layout followed by a related discussion on private sector food facility design and equipment from Ruben Menquito of Manila, Philippines.

CCAMD Korea Regional Office people rounded out the workshop with presentations on management information systems, internal controls, budget preparation and procurement.

A feature of the workshop was a tour of hotels in the Seoul Area including the Naija Armed Forces Recreation Center, the Choson, the Hyatt and the Lotte. **AH**

## Low paid NAF employees exempt from pay ceiling

**WASHINGTON**—President Carter has excluded lower paid nonappropriated fund (NAF) employees from the 5.5 percent limit on Federal paychecks. Approximately 100,000 employees, most of whom are employed by the Department of Defense in military exchanges and clubs will benefit.

The exclusion affects those NAF employees who make less than \$4.00 per hour. Previously, the President had excluded private sector employees earning

less than \$4.00 per hour from the voluntary seven percent wage-increase guidelines.

For the remaining group of employees in that wage bracket (approximately 11 hundred appropriated fund blue-collar workers and 22 thousand general schedule white-collar workers), help is on the way. A legislative proposal is now being drafted by the Office of Personnel Management to exclude them from 5.5 percent pay limitation also. **AH**

## Big Business burgers

**CHICAGO**—The National Restaurant Association reports that one out of every three lunch purchases is a burger and burgers are ordered at dinner on one out of four occasions. Merchandising the burger is the big business for many private restaurateurs.

In Evanston, Ill., Fritz, That's It customers are introduced to "Sorry Fred, No Bread!", a burger without bread adorned with sauteed fresh vegetables and blue cheese.

At TGI Friday's in Dallas, Tex., hamburgers are

named for every day of the week. The "Nut Burger" at the Habadashery, Minneapolis, Minn., is a burger topped with almonds, cashews, sunflower seeds and peanuts in a tamari sauce.

And at Arnie's North, Highland Park, Ill., guests dress up their burgers with up to 30 assorted toppings; including onion rings, chili, baby shrimp, caviar, pickles, cheese, hot sauce and peanut butter. Arnie's manager reports selling an average 200 burgers nightly in the 60-seat bar. **AH**

## Get your assets in gear

# Fun and excitement!

**BERCHTESGADEN, W. GERMANY**—There are managers who carry the keys and there are managers who make it happen—that was the theme of a presentation by Professor Michael Hurst, Florida International University and prominent Florida restaurateur, to an assembly of Army club managers from U.S. Army Europe and the Southern European Task Force.

Hurst's Marina Bay restaurant had total sales of over \$4.5 million in 1978 and has over 12,000 members. He is widely known for his aggressive promotional events and theatrics.

He told the 150 managers attending a 4-day USAREUR Club Management Continuing Education Seminar at the Armed Forces Recreation Center here that the essential ingredients of any hospitality business are: management, product and presentation.

## On promotions

"Promotional events are for people," he said. "Some make money, some break even, and some lose money but they all should be designed to sell membership. All promotions should generate lots of activity and make the club the focal point of the community."

Hurst said that "people want to be where the action is" as he referred to gala parties at his club where 5,000 people come in pajamas for a Halloween party or 12,000 attend a New Year's Eve party where it isn't unusual for brass bands or circuses with elephants to march through the party at midnight.

He urged workshop attendees to recall their younger days when the best part of any party was talking about it the next day. "People don't talk about the quality of food or the strength of the drinks," he said, "they talk about the fun they had." "You aren't just selling food and drink—you must give away fun and excitement."

"Don't repeat promotions too often," he said and "promote your food." "People want funky food, distinctive food, powerful food and changing food."

## On building membership

Hurst opened the Marina Bay facility in 1974 which has since grown to over 12,000 members. "By next year, we'll have 15,000 members and, if we don't reach that goal, it is the first sign of weakening."

"Take the assets of the club and bring them alive. Target on fun and excitement," he said.

Hurst said that one of the best ways to build membership is through word-of-mouth advertising which he



**Professor Mike Hurst** asked managers attending the 4-day workshop to inject "fun and excitement" into their clubs.

said is based on the psychological insecurity of people." "Everytime a person comes through the door, they have the potential to become a salesman for your club. This person needs reasons to justify coming to your place of business and you must provide it." He said that two things create conversation and word-of-mouth advertising: uniqueness and presentation. "You must have something so good that people can't wait to leave your club and talk about it to the neighbors." Hurst asked the club managers to let every member feel special by remembering their names and by letting them think they are getting something that the other members are not.

## On management

He jokingly described the "champion" manager as one who works 14-16 hours per day and carries all of the keys. "He doesn't trust anyone and after two or three years of working 14-16 hours a day, is not very excited about anything." "Take the assets of your club and make your facility the best in the world."

Hurst admitted that there are administrative systems and controls but he urged managers to delegate responsibility and take on what he called their primary task, "generating fun and excitement." "Be an imaginer, a dreamer, a pace-setter and remember that there is no such word as can't. You must not give up. Don't accept that history has taught you that you can't set standards at 100 percent: People like a winner."

## On employees

He likened the best managers to those who are like "a player coach on a basketball team" and said that employee participation is critical to growth.

*continued*

**Army Host**



"As a club manager, you have a strong responsibility to the people that work with you to make it fun and exciting. As long as your employees know that they are working in a place that is growing, and as long as they have confidence in management, they will feel that they are growing and learning," he asserted.

Train employees to be "experts" on your club, he said. "Let them taste the food," and then ask their opinions, said Hurst. "If our employees don't like a menu item, we don't sell it. Let your unit managers make decisions," he said, "and work at remembering employee names."

Hurst told the managers to look more for personality than experience from up-front service personnel such as bartenders, waiters and waitresses. During the interview, he suggested, look for expressive movement

for someone who is willing to "laugh at themselves" in a bad situation. "Make the club fun and exciting for the employees as well as the members. As long as your employees know that they are working in a vibrant and exciting place where things are happening, they will help you make it grow. This vibrancy and excitement happens because they know they are part of a team. Give the employees an opportunity to grow and they will work hard for you as long as they know they are learning."

Hurst also suggested allowing the employees to talk to the members and get their reaction as well as suggest menu items (and not the highest priced item).

He told managers to "take this team, put it together with a strong product and promotions and add fun and excitement—that's the recipe for success." **AH**

## OOJ 30, 40 promotions

**WASHINGTON**—The promotion picture for OOJs continues to improve with 29.6 percent of those considered for promotion to E-7 on the most recent promotion board in both the primary and secondary zones actually selected compared to an overall Army selection rate of 21.3 percent.

18 percent of those considered for promotion to E-8 in both the primary and secondary zones were selected compared to the army average of 17.8 percent.

**Hale Koa**, from pg. 1

Another Peat, Marwick, Mitchell & Co., recommendation is to change the guest occupancy goal from the 65 percent fiscal 1979 objective to a more attainable 50 percent active duty stay based on registrations and a 35 percent occupancy based on actual number of room-days which active duty people spend at the hotel. To accommodate more active duty people, the firm recommended that the hotel's occupancy goal of 97 percent be changed to 90 percent. The hotel has maintained a near 99 percent occupancy since its opening in 1975.

The Adjutant General will be in direct command and control of the hotel. A military officer will be designated as TAG's representative to interface with commanders in Hawaii, insure policy compliance and keep TAG informed on hotel operations. The general manager will be a NAF civilian employee. Military staffing of the hotel will be reduced.

Appropriated fund support for the hotel would drop from the \$1.1 million received in fiscal 1978 to \$472,000 in fiscal 1980 and \$78,000 in the years beyond.

Under the new management plan, hotel food, beverage, and entertainment prices would increase, service

## Clubs rent party equipment

**FORT SHAFTER, HI**—Innovative managers here are going one step further in offering services to the member: party equipment rental.

The rental system is operated out of each annex providing members with all of their party needs including glassware, serving pieces, chairs and flatware. Of course, the clubs also encourage catering with the equipment rental. **AH**

would be expedited, and the food and beverage facilities would be open to Reserve and National Guard personnel assigned to units in Hawaii.

The firm said the hotel needed to review the staffing for janitors, housemen, inspectors, warehouse and procurement personnel and recommended that the wage scales be adjusted to bring wages in line with industry. An in-house personnel office be established.

The firm recommended against engaging a commercial hotel management company unless the company would be provided "full operating and management autonomy."

Other recommendations in the report include development of better marketing plans, conformance with accounting practices used in the private sector, revamping concession contract practices, relief from Government regulations based on the Henderson-McGee and Randolph-Shepard Acts, and easing of regulatory oversight of the hotel which was estimated by the firm to increase annual hotel operating costs by over \$600,000 annually.

On the positive side, the firm said that the hotel "consistently obtains the highest occupancy of any major hotel in Hawaii" and had a "guest satisfaction rating well above that achieved by other Waikiki hotels." **AH**

# ICMs can help improve OOI quality

**WASHINGTON**—Installation and area club managers play a key role in selecting people for Enlisted Club Management Career and Development Program (ECMC & DP), according to personnel officials at the Club and Community Activities Management Directorate.

Since part of the ECMC & DP candidates application includes the results of a personal interview with the ICM or ACM, CCAMD personnel officials rely heavily on the ICMs and ACMs "honest, complete and impartial" recommendation when deciding whether to admit enlisted people to the program.

The personnel officials offered some general guidance in assisting interviewers:

- Make sure that the applicants' military and civilian experience and education meet the prerequisites of Section XI, Chapter 11, Change 40,

AR 614-200.

- Note the applicants' physical condition and personal appearance.
- Ascertain personal problems that would make club management duties difficult for the applicant such as financial, marital or medical problems.
- Act as an recruiter as well as an interviewer. Explain the advantages of the ECMC & DP program, i.e., experience obtained is marketable but the hours are long.
- Ask yourself: would the applicant be acceptable in your club system?
- Finally, while personnel people need an "honest, complete and impartial" opinion, care should be taken to insure that no "derogatory information" as outlined in AR 600-37, appears in the recommendations. **AH**

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## Club juke box delivery program—the pipeline

*AAFES supplies record packages to clubs.*

**FT GILLEM, GA**—A new AAFES program has begun to help USAREUR clubs to maximize their club juke box profits.

Under this program, AAFES provides clubs with 45 RPM recordings of the latest stateside hits and a continuing turnover of records. Record packages containing 10 records each are mailed each month to the area club system APO address by the AAFES Eastern Distribution Region (EDR) at Fort Gillem, GA. Each package contains three soul, four pop, two country and western, and one latino record. The shipment also includes record title labels to be installed in the juke box.

Clubs are charged \$10 per 10-record package and that includes the cost of packaging, postage, and insurance.

The EDR has also established a similar program for clubs in the Pacific whereby they may select from among four record packages. One package contains eight country and western and two pop; another contains five easy-listening; a third contains six pop, two country and western, one soul and one latino; and another has eight soul, one pop, and one latino.

The recorded music distributed comes from a record complex which conducts a bustling business in getting the sounds to not only clubs but all AAFES outlets.

Albums, cassettes, and cartridges account for a

booming \$5 million in AAFES sales per month, according to distribution chief, J.R. Williams, and that figure is climbing.

Williams manages a staff of 120 people who keep the record pipeline flowing.

Two buyers select the music, getting their cues from national survey charts and special orders from individual PX's which indicate a "hot number."

New releases are sent out via an automatic distribution system and the center has a hotline letter office for immediate response to special orders from PX's needing additional shipments.

Soul, rock, and pop vocals head the list of the most-sought-after recordings and officials say that tastes in music tend to run about the same among Army and Air Force personnel.

Warehouse operations are characterized by seemingly endless rows of carousels and conveyor belts that extend from the receiving section to the shipping docks.

Marketing machine operations attach vital information to merchandise that identifies music type, list price, AAFES price, and rapid reorder numbers.

EDR officials say that local PX's may special order any music not found on AAFES shelves. EDR officials point out that the more exotic music types take a little longer to special order than more conventional types of music.

*Portions of this article were adapted from "AAFES at Gillem: Sends records all over the world" by M.M. Patterson, a writer for the Fort McPherson Sentinel.*



## Profile—

Annual operating statement profile for an officers' club in CONUS with total revenue of \$941,957 (without package store):

Total sales	\$663,665	
Income from other activities	25,962	
Cost of goods sold (% of total sales)	261,877	(39.5%)
Total labor (% of total revenue)	395,411	(42%)
All other expenses	235,038	
Dues income	232,430	
All other income less PBB	19,900	
Net income w/o PBB income	49,631	
Share PBB net income	-0-	
Net income (% of total revenue)	49,631	(5.3%)
Total revenue	941,957	
Total food sales	462,174	
% Food cost of goods sold	46.2%	
% Food labor	44.8%	
% Net income food	3.1%	
Total bar sales	195,707	
% Bar cost of goods sold	23.1%	
% Bar labor	34.9%	
% Net income bar	36.3	
Bingo revenue	14,950	
% Bingo prize expense	62.5%	
% Net income bingo	37.6%	
Other service/recreation revenue	9,259	
Net income (% of total svc/rec revenue)	2,611	(28.2%)
Administrative labor (% of total revenue)	12.1%	
Central accounting office expense (% of total revenue)	5%	
Civilian personnel office expense (% of total revenue)	.8%	
Administrative support branch expense (% of total revenue)	-0-	
Central procurement expense (% of total revenue)	-0-	
Total overhead labor (% of total revenue)	17.9%	
Club expense (% of Sales)	4.2%	
Entertainment (% of sales)	3.7%	
Depreciation expense	15,825	
Investments	187,989	
Total current assets	344,367	
Total assets	441,740	
Total current liabilities	93,625	
Long-term liabilities	-0-	
Fund equity	348,114	
Acid test/current ratio	3.2.1/3.7.1	
Inventory turnover—warehouse/sales outlets	0.7.1/1.2.1	
# Employees	81	
# Members	2,002	
# Annexes, including main club	1	
Loans payable	0	
Quarterly loan payment	0	

AH

## Seven interns in system

WASHINGTON—Seven club management interns have completed the training phase of their internship and are currently working in Army clubs.

The Civilian Intern Program is designed to provide the Army club system with well-trained, highly motivated civilian club managers. Candidates are recruited from hotel and restaurant management schools by CCAMD and receive initial orientation at the Club Management Course. Then, they receive nine months of on-the-job training and are hired at the UA-7 level.

Program managers are asking clubs to request interns whom they describe as "exceptionally well-versed in club operations" and exposed to latest hospitality techniques. AH



Dawn Hamilton works with Fort Benning Installation Club Manager MAJ John Murphy during the on-the-job phase of her management internship.

## Two "unit" clubs at Hood

FORT HOOD, TX—"Putting these clubs in the division gives the soldiers a place they can walk to," said Fort Hood NCO Club officials referring to the opening of two new unit clubs at this central Texas FORSCOM installation.

Called the Pillars Pub and the Caisson Club, the dues-free clubs were described as not being the "glittering hot spots" downtown but rather a place which offers the enlisted troops a place to relax after duty hours.

Both clubs have pool and football tables along with pinball machines. There is also a limited menu at each club.

"We can seat 100-150 people in the club," said Pillars Pub manager Joe McPherson who said that participation to date has limited the amount and variety of entertainment which can be booked. AH

## Built it themselves

### "Best disco in town"

**FT STEWART, GA**—It took three months of hard work as members of Company C, 92nd Engineer Battalion worked overtime converting a warehouse into an enlisted disco club.

They replaced the floor, installed heating and air conditioning, a dance floor, a bar and disco lights and even installed cabinets for the membership club.



A member of Fort Stewart's 92nd Engineer Battalion hard at work converting an old warehouse to an enlisted club.

### New Bragg enlisted club



**FT BRAGG, NC**—Artists conception of what the new ultra-modern Fort Bragg, N.C. annex will look like upon completion. A computerized bar will speed service and there will be a fast food operation. Disco will provide entertainment and, on special occasions, a roll-out will allow performers to be seen by club members. The Bragg facility is designed for the young soldier who will soon have the newest facility on the installation. **AH**

## Club Advisory Board meets

*Communication lines opened.*

**WASHINGTON**—The first meeting of the Board of Advisors for the Army Club System was held May 14-15 here. Representatives from all major Army commands discussed a number of issues affecting clubs including the army position on recommendations of the recent GAO report on military clubs and package stores (see related article in this issue).

The major command representatives were informed of The Adjutant General Center's initiatives and progress in the club area. The meeting allowed the major commands to express their viewpoints to The Adjutant General on how they felt clubs should be run and lines of communication were opened, according to CCAMD meeting organizers.

Board members also discussed funding of HQDA-level club programs, recommended goals for the Army club system, and dues policy. **AH**

### Huachuca system opens golf course annex



The Fort Huachuca Installation Club System has opened a golf course annex as an annex to the La Hacienda Enlisted Club. Open seven days a week, the new club will feature continental breakfast and lunch and eventually will specialize in steaks as well as offering an a la carte menu. Rose Hill (left) prepares sandwiches for members of the new facility appropriately called the 19th Hole. **AH**



## SSG Jerry Russell re-ups



**ASCHAFFENBURG, W. GERMANY**—In the past six months **SSG Jerry Russell**, Manager of the “Turrett Club”, Aschaffenburg Area Club System, W. Germany has increased sales almost 70% and more than doubled the retained income, through better entertainment, fine food and the establishment of a beer bar. Currently Russell is maintaining net income of well above the Department of the Army minimum of 5% of total revenue.

Russell, from Munford, Alabama, started his military career in the transportation field and worked in the club system in an off-duty capacity, came to Germany in 1977 and worked at the NCO club in a variety of positions. As a result, Russell became more interested in this field.

When a vacancy in the local club became available last November, qualified individuals were screened and Russell was chosen to fill the position. According to **MAJ Daniel O’Sullivan**, Aschaffenburg Area Club Manager, “Russell was selected as having good potential and his selection proved to be a wise choice.”

Because of a shortage of club people in Europe, the Department of the Army is conducting a special course in Munich to train selected personnel to fill OOH Club Management positions. Russell was chosen to attend this course along with 44 other personnel.

As a result of being selected to attend this course, Russell has extended for one more year in Europe and re-enlisted for another six years. The re-enlistment was conducted in his facility by **MAJ O’Sullivan**.

Always striving to do the best he can, he enjoys his work very much and wants to make a success of his job, O’Sullivan said.

Russell’s goal in life is to own his own restaurant-nightclub, and if his club achievements in the military are any indication—he will certainly reach his goal, according to O’Sullivan. **AH**

## Capobianco nets DMSM

**BRUSSELS, BELGIUM**—**SFC Antonio Capobianco** has become the first military club manager to be honored with the newly created Defense Meritorious Service Medal.

While assigned to the Supreme Headquarters, Allied Powers Europe (SHAPE), Capobianco managed both the International Club (enlisted) and the Top Grader’s NCO Club. He managed to complete a major renovation in one club and planned the renovation of the other.

Capobianco, now assigned to Camp Darby, Italy, is a 1976 graduate of the Club Management Course.

SHAPE clubs are an international assignment and support 13 North Atlantic Treaty Organization nations. This assignment is “extremely challenging,” according to **LTC David Kinkade**, SHAPE installation club manager, with each nation placing special demands on the club. Labor expenses for clubs of other nations are considered part of the costs of appropriated fund dining facilities and only US clubs pay labor expenses.

There are seven military assigned to the SHAPE clubs: Three US Army, Two US Air Force, One British NCO and one Belgian NCO. **AH**

## CMC to USAREUR

**MUNICH, W. GERMANY**—45 students are attending a special session of the Club Management Course here, conducted by Course Director **CPT Robert Shooner** and other CMC instructors with the assistance of USAREUR Headquarters and the Club and Community Activities Management Directorate European Regional Office. Military enlisted personnel will be awarded the MOS OOH upon completion of the course which will provide some relief for the shortage of trained club managers within USAREUR. **AH**

## Zama nets bronze award

**CHICAGO**—The Camp Zama consolidated club was awarded a Bronze Seal Award for its menu by the National Restaurant Association, the only Army club to receive an award.

Air Force clubs won the other four of five awards in the military menu category of the National Restaurant Association’s 1979 Great Menu Awards competition.

The winning menus were displayed at the NRA Show in Chicago and winning clubs received attractive seals to affix to each club menu. **AH**

## Casual labor being abused

**ROEDELHEIM, W. GERMANY**—Shortages of German national labor have forced several Army club managers to abuse the restrictions on using local national casual labor employees, often resulting in serious problems for managers who violate the regulations.

USAREUR Regulation 690-60 and USAREUR Letter dated 6 March 1979, Employment of Local National (LN) Casual Labor by Nonappropriated Fund Instrumentalities in the Federal Republic of Germany describe the supplement to regular and part time help, according to officials of the Club and Community Activities Management Directorate, European Regional Office. These officials said that casual labor is similar to intermittent help except that the former are under greater restrictions.

Casual labor should be should be used only for unexpected or unusual workloads for short periods of time. Or, to a lesser extent on a recurring basis, officials said. The officials emphasized the strict restrictions on using casual labor:

- Employment of casual labor is limited to situations which require extra help for periods less than 18 days.
- Employment for casual labor must be less than 15 hours per week.
- Total pay may not exceed 390 Deutchemarks per month.
- Weekly pay may not exceed 120 Deutchemarks.
- The average daily pay may not exceed 42 Deutche Marks.
- Employment of people less than 16 years of age is prohibited.
- People from 16 to 18 years of age may be hired as casual help only if they are not already engaged in other full-time employment and any work extending beyond 10 p.m. hours is prohibited.
- And regular local national employees of the US Army may not also be hired as casual help by the same organization.

The regional office official emphasized that managers which used casual labor are required to complete AE Form 1130-R (Roster of casual employees) weekly and forward the original to the German Office of Defense Cost.

The officials urged managers to resist the temptation to exceed the maximum hours and wages allowed for casual labor employees, since violation of the rules could lead to retroactive payments to the German Government for taxes and social insurance and result in problems for managers who violate the stringent casual labor regulations. **AH**

## A very demanding audience

*Hosts El Paso restaurateurs.*

**FT BLISS, TX**—Operators of some of the most prestigious restaurants in nearby El Paso, Texas feasted on such officers' club delicacies as terrine de boeuf and water chestnuts, oxtail soup, red snapper with hollandaise, beef Wellington, and—for dessert—dacquoise meringue. They found the food and service met their high standards.

The guests were members of the El Paso Chapter of the International Wine and Food Society whose founder, Bob Newkirk, praised the meal for its "excellent balance" adding, as a former member of the Armed Services, that he was "surprised" that an officers' club could "mount the dinner they do".

A local country club manager contributed to the plaudits labeling the dinner "exceptionally well done" with "excellent food quality" and "good wine".

William Beaumont Army Medical Center Commander MG Raymond Bishop, who also was a guest said that the dinner was "absolutely superb . . . the food prepared to perfection . . . and the wine selection—splendid" adding that the service was the "finest possible."

All in a day's work.

*Adapted from "Club treats gourmets with culinary expertise" by Diana Rainey, a writer for the Fort Bliss Monitor. AH*

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